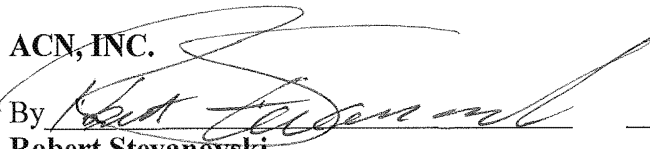


21. Headings and Captions. Headings and captions used in this Agreement are intended for convenience only and shall not be used in interpreting the provisions of this Agreement.

Execution; Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and same instrument and any of the Parties may execute this Agreement by signing such counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or .pdf, .jpeg, .TIFF, or other electronic format or electronic mail attachment shall be effective as delivery of an original executed counterparty hereof.

ACN, INC.

By

  
Robert Stevanovski,  
Chairman & Co-founder

  
Donald J. Trump

EXHIBIT A

Insurance Requirements

## EXHIBIT A

## SUGGESTED INSURANCE COVERAGES

<b><i>GENERAL LIABILITY</i></b>	One Million (\$1,000,000) per occurrence / Two Million (\$2,000,000) general aggregate combined single limit, with a deductible amount not to exceed Ten Thousand Dollars (\$10,000), for each single occurrence for commercial general liability insurance, bodily injury and/or for property damage, as well as product liability, automobile liability, contractual liability (written and oral, personal injury and advertising liability).
<b><i>UMBRELLA</i></b>	Umbrella liability policy with limits of not less than Twenty Five Million (\$25,000,000).
<b><i>WORKERS' COMPENSATION</i></b>	Workers' Compensation coverage in statutory limits and Employers Liability with minimum limits of \$500,000.
<b><i>CRIME</i></b>	Crime coverage including Third Party with limits of not less than One Million (\$1,000,000) including Third Party Liability.

# EXHIBIT 11



Message

**From:** Rhona Graff [/O=TRUMP ORG/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=RGRAFF]  
**Sent:** 10/30/2015 5:15:15 PM  
**To:** Jessica Macchia [jmacchia@trumporg.com]  
**Subject:** FW: ACN Mutual Termination Agreement  
**Attachments:** Executed ACN Agreement.pdf

**T R U M P**  
THE TRUMP ORGANIZATION

**Rhona Graff**  
Senior Vice President – Assistant to the President  
725 Fifth Avenue | New York, NY | 10022  
p. 212.832.2000 | p. 212.715.7209 | f. 212.755.3230  
[rgraff@trumporg.com](mailto:rgraff@trumporg.com) | [trump.com](http://trump.com)

**From:** Owen Reidy  
**Sent:** Monday, October 26, 2015 1:26 PM  
**To:** Kim Johnson <Kim.Johnson@acninc.com>; Paul Gagnier <Paul.Gagnier@acninc.com>  
**Cc:** Rhona Graff <rgraff@trumporg.com>  
**Subject:** RE: ACN Mutual Termination Agreement

Kim,

With my apologies for the delay, attached please find a countersigned agreement executed by Mr. Trump. Thank you for your help with this matter.

Best,  
Owen

**T R U M P**  
THE TRUMP ORGANIZATION

**Owen Reidy**  
Assistant General Counsel  
725 Fifth Avenue | New York, NY | 10022  
p. 212.836.3242  
[oreidy@trumporg.com](mailto:oreidy@trumporg.com) | [trump.com](http://trump.com)

**From:** Kim Johnson [<mailto:Kim.Johnson@acninc.com>]  
**Sent:** Thursday, October 01, 2015 12:29 PM  
**To:** Paul Gagnier <[Paul.Gagnier@acninc.com](mailto:Paul.Gagnier@acninc.com)>; Owen Reidy <[OREidy@trumporg.com](mailto:OREidy@trumporg.com)>  
**Cc:** Rhona Graff <[rgraff@trumporg.com](mailto:rgraff@trumporg.com)>  
**Subject:** RE: ACN Mutual Termination Agreement

Attached please find the Agreement signed by Robert Stevanovski. Please let me know if you need anything further.

Kind regards,

Kim Johnson  
Assistant to Robert Stevanovski, Chairman  
704 260 3677

**From:** Paul Gagnier  
**Sent:** Thursday, October 01, 2015 6:40 AM  
**To:** 'Owen Reidy'

**Cc:** 'Rhona Graff'; Kim Johnson; Robert Stevanovski  
**Subject:** ACN Mutual Termination Agreement

Hi Owen –

Conceptually, this change is fine as it is also our intent to cease use of Mr. Trump's images, marks, etc. Note, however, that those images etc. are on some existing print materials. We are undertaking efforts to get those materials out of the market, and will continue to do so, but I assume that you understand that that will not occur instantly and that there will be some legacy materials in the hands of our distributors.

Best  
Paul

---

**From:** Owen Reidy [<mailto:OReidy@trumporg.com>]  
**Sent:** Wednesday, September 30, 2015 11:19 PM  
**To:** Paul Gagnier; Robert Stevanovski  
**Cc:** Rhona Graff; Kim Johnson  
**Subject:** RE: ACN Mutual Termination Agreement

Dear Paul and Robert,

My apologies for the delay in getting a countersigned agreement back to you, there has been a lot of activity around here as of late, as I am sure you can imagine. As Rhona mentioned to Kim earlier this afternoon, Mr. Trump finally has a chance to review the agreement earlier today and he asked that we include one additional concept. I am attaching a revised agreement together with a blackline against the version that you had approved and executed which shows the change Mr. Trump is requesting. I would appreciate it if you would review this change and, assuming it's acceptable to you, send over an executed copy of this revised agreement. Once we have your signature Mr. Trump will countersign and I will circulate a fully executed document.

Please let me know any questions.

Thank you.  
Owen

**T R U M P**  
THE TRUMP ORGANIZATION

Owen Reidy  
Assistant General Counsel  
725 Fifth Avenue | New York, NY | 10022  
p. 212.836.3242  
[oreidy@trumporg.com](mailto:oreidy@trumporg.com) | [trump.com](http://trump.com)

---

**From:** Paul Gagnier [<mailto:Paul.Gagnier@acneuro.com>]  
**Sent:** Friday, August 28, 2015 2:01 PM  
**To:** Owen Reidy <[OReidy@trumporg.com](mailto:OReidy@trumporg.com)>  
**Cc:** Rhona Graff <[rgraff@trumporg.com](mailto:rgraff@trumporg.com)>; Robert Stevanovski <[RStevano@acninc.com](mailto:RStevano@acninc.com)>  
**Subject:** ACN Mutual Termination Agreement

Dear Owen –

Robert asked me to forward the signed agreement to you. Please have it signed and return it to me. I assume that you are okay with using scanned signatures, but I am happy to send originals if you need them.

Best  
Paul

Paul O. Gagnier  
Executive Vice President, General Counsel & Secretary  
ACN, Inc.  
+1 (704) 305-9218  
+31 (0)6 5101 3598  
[paul.gagnier@acninc.com](mailto:paul.gagnier@acninc.com)  
[pgagnier@acneuro.com](mailto:pgagnier@acneuro.com)

---

**From:** Robert Stevanovski  
**Sent:** Friday, August 28, 2015 10:40 AM  
**To:** Owen Reidy  
**Cc:** Rhona Graff; Paul Gagnier  
**Subject:** RE: ACN Termination Agreement

Hi Owen, its fine the way you have it, I have copied Paul ( our GC )  
I will sign and send back

Thank you for the effort ☺☺☺

---

**From:** Owen Reidy [<mailto:OReidy@trumporg.com>]  
**Sent:** Friday, August 28, 2015 10:01 AM  
**To:** Robert Stevanovski  
**Cc:** Rhona Graff  
**Subject:** ACN Termination Agreement

Dear Robert,

I received your contact information from Rhona Graff and she asked me to reach out to you to share my minor comments to the Mutual Termination Agreement. Attached please find a revised draft of that agreement and a blackline which shows the changes from your initial draft; as you can see it's really just some clean up changes but I am happy to discuss if you have any concerns.

Best,  
Owen Reidy

---

**T R U M P**  
THE TRUMP ORGANIZATION

---

**Owen Reidy**  
Assistant General  
Counsel  
725 Fifth Avenue |  
New York, NY | 10022  
p. 212.836.3242  
[oreidy@trumporg.com](mailto:oreidy@trumporg.com)  
| [trump.com](http://trump.com)

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**Mutual Termination of Appearance Agreement**

WHEREAS, ACN, Inc. ("ACN") and Donald J. Trump ("Mr. Trump") (each a "Party" and together the "Parties") have determined that it is in their mutual interest to terminate the Appearance Agreement entered into by the Parties as of February 13, 2013 (the "Agreement");

IT IS THEREFOR AGREED, that the Agreement shall be terminated effective as of the date of this document (the "Termination Date"). For the avoidance of doubt, effective immediately as of the Termination Date, ACN shall cease all use of Mr. Trump's name and likeness and any trademarks owned by Mr. Trump and all indicia or connection between ACN and Mr. Trump, including without limitation any references to Mr. Trump on any websites owned, controlled or operated by ACN, shall in each case be eliminated.

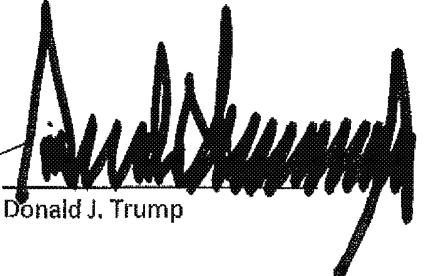
IT IS FURTHER AGREED, that, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, each Party releases the other Party (and such other Party's parent companies, affiliates, subsidiaries, officers, directors, employees, agents, representatives, and successors and assigns), from any and all past, present, or future obligations, claims, or liabilities arising from the Agreement, whether or not such obligations, claims, or liabilities are currently known or unknown. Each Party confirms that the other Party has met its obligations under the Agreement through the Termination Date, and neither Party shall have any further obligations under the Agreement after the Termination Date.

AGREED this 20<sup>th</sup> day of June 2015

ACN, Inc.

By: 

Robert Stevanovski, Chairman

  
Donald J. Trump

# EXHIBIT 12

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**From:** Sheila Marcello <sheila.marcello@acninc.com>  
**Sent:** Monday, November 17, 2008 10:31 AM  
**To:** Greg Provenzano; Dave Merriman; Allan van Buhler; Tony Cupisz; Mike Cupisz; Robert Stevanovski  
**Subject:** 24 HR Game Plan  
**Attachments:** 24HRPlan\_USENG\_111208.pdf

Here is the proposed language for the 24 hour game plan that discusses the Celebrity Apprentice. Greg, you had said you wanted to have a discussion about this before we finalized. Please let me know your thoughts and we will load to the websites following the event. ADT Security has been added as well.

Thanks!  
sheila



# 24 HOUR GAME PLAN

## STEP 1

### Invite 5 - 7 of your closest friends to your 1st presentation

#### When Inviting: Be Natural (Enthusiasm + Urgency = Great Results)

"Hello (Name),

I just saw something I'm very interested in that Donald Trump is endorsing and featuring on an upcoming episode of the Celebrity Apprentice this Spring. It may or may not be for you, however I'm having a few of my closest friends over to take a look at it. We're getting together at (Time/Location). Would you do me a favor and stop by?"

OR

"Hello (Name),

I just saw something I'm really excited about. Donald Trump is endorsing it and featuring on an upcoming episode of the Celebrity Apprentice this Spring. Trust me, I know you are going to want to hear about it! I'm having a few of my closest friends over tonight to take a look at it. We're getting together at (Time/Location). Can you make it?"

#### If they ask questions:

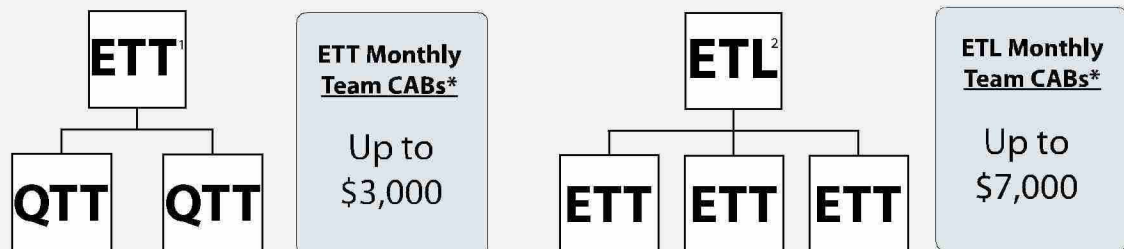
"I was just introduced to it myself so I'd rather not try to explain it. I can tell you this, it's a business opportunity and Donald Trump is endorsing it. You really need to see this in the same way I did. Based on our relationship, would you do me a favor and stop by to take a look?"

#### If they can't make it:

"When is the soonest we can get together?"

## GOAL

1. Have prospects become representatives or customers from your presentations
2. Earn Executive Team Trainer (ETT) and Executive Team Leader (ETL) in your 1<sup>st</sup> 30 days



<sup>1</sup>To qualify for the Executive Team Trainer position, a representative must be a qualified TT with at least 1 qualified TT in 2 separate legs (at any level). <sup>2</sup>To qualify for the Executive Team Leader position, a representative must have at least 15 Points and at least 1 qualified ETT in 3 separate legs (at any level). \*Team Customer Acquisition Bonuses (T-CABs) are paid based on the number of Team Trainers that start in a calendar month and get qualified within their first 30 days. Points: Digital Phone Service = 1-7 Points (depending on plan selected); Bundled Local and Long Distance Service = 2 Points; Satellite TV = 2 Points; Home Security = 2 points; Long Distance = 1 Point; Wireless = 1-4 Points (depending on plan selected); DSL = 1 Point; Your Business Assistant = 1 Point.

#### Your Initial Customer Sources:

1. Yourself (you can become your own customer)
2. Prospects (who are not interested in the opportunity or who have not yet joined ACN)
  - Digital Phone Service (VoIP), Internet, Satellite TV, ACN Wireless and Home Security  
- sign up at [www.myacn.com](http://www.myacn.com)
  - Local, Long Distance Bundle or Long Distance Stand Alone- call ACN Order Entry at (866) 864-3822

CUSTOMERS  
ARE VERY  
IMPORTANT!!

## STEP 2

### Repeat Step 1 Your 2nd Presentation

## STEP 3

### Repeat Step 1 Again Your 3rd Presentation

[www.acninc.com](http://www.acninc.com) • [www.acnintegrity.com](http://www.acnintegrity.com) • [www.myacn.com](http://www.myacn.com)



Success as an ACN representative is not guaranteed, but rather influenced by an individual's specific efforts. Not all ACN Independent Representatives make a profit and no one can be guaranteed success as an ACN Independent Representative.

©ACN 2008 24HrPinUS\_RP\_W\_070108



# EXHIBIT 13

*McKoy, et al., v. The Trump Corporation, et al.*, Case No. 1:18-cv-09936 (S.D.N.Y)

Expert Report of Stacie Bosley

November 18, 2022

Confidential – Subject to Protective Order

**UNITED STATES DISTRICT COURT**

**SOUTHERN DISTRICT OF NEW YORK**

CATHERINE MCKOY, MARKUS FRAZIER,  
and LYNN CHADWICK, individually and on  
behalf of all others similarly situated,

*Plaintiffs,*

v.

THE TRUMP CORPORATION, DONALD J.  
TRUMP, in his personal capacity, DONALD  
TRUMP JR., ERIC TRUMP, and IVANKA  
TRUMP,

*Defendants.*

No. 1:18-cv-09936-LGS

**EXPERT REPORT OF STACIE BOSLEY**

**November 18, 2022**

## **E. Summary of Opinions**

12. The Compensation Plans do not describe a business opportunity with a reasonable prospect of economic success with low risk because they do not provide meaningful opportunities to earn money through either of their primary mechanisms of retail activity or recruiting. Commission percentages on retail activity are so low that at average levels of monthly ACN product or service purchases per IBO, the typical IBO would earn commissions of less than \$3 per month. Similarly, bonuses and commissions for recruitment are also either low or zero at low levels of recruitment. Although recruitment rewards are higher at higher levels of recruitment, these bonus and commission amounts are not relevant for most IBOs because on average, it takes 20 months to recruit one additional person; therefore, the typical IBO will never reach these higher levels of recruitment, nor the rewards associated with them.

13. In addition to the Compensation Plans not providing opportunities for typical IBOs to earn money, ACN also implicitly encourages IBOs to spend money. IBOs must spend hundreds of dollars on membership and renewal fees in order to participate in ACN. They are also encouraged to purchase ACN products, to purchase ACN marketing materials, and to attend ACN events. Incurring such expenses in pursuit of retail activity and recruitment further erodes any opportunity to profit through ACN. As I discuss in subsequent sections of this report, most IBOs lose money in ACN.

14. The lack of opportunity to profit through ACN is obscured by the complexity and articulation of the Compensation Plans. The Compensation Plans contain a large amount of detail, where the details are described using confusing terminology. The specifics governing the mechanisms for earning money vary by title, product type, and points accumulation, and change

2010. As shown in Exhibit III.B.11, of the 29,097 U.S. IBOs in January 2010, 22,671 (77.9%) earned exactly \$0 in revenues.<sup>118</sup>

*iii) IBO Net Revenue*

87. As shown in Exhibit III.B.12, based on the average monthly revenues for U.S. IBOs outside of the Top Bin and deducting the ACN membership fees and personal product/service expenses, I estimate that the typical U.S. IBO lost \$51 on average in each month over the period January 2012 through August 2016. Exhibit III.B.12 also shows that when further deducting the average amount paid to ACN for marketing expenses per U.S. IBO, I estimate that the typical U.S. IBO lost \$73 on average in each month over the same period. These results are consistent with Figure III.B.1 above, which shows the number of IBOs per net revenue bin. In the figure, each net revenue bin is calculated as the actual revenue earned by each IBO for the month of January 2010 less the \$107 in monthly expenses that I estimate above.<sup>119</sup> The figure shows that nearly all IBOs lost money in January 2010.

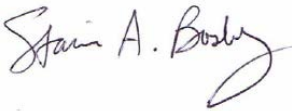
88. These estimates likely understate the typical U.S. IBO monthly loss because, as discussed above, (1) the monthly expected revenue estimate is above the median global IBO monthly revenue and (2) the monthly expected expenses estimate above likely understates the typical monthly expenses incurred by U.S. IBOs.

<sup>118</sup> As discussed in Section II.A above, ACN did not issue payments to IBOs unless their total commission after subtracting the processing fee was greater than \$10. For this reason, the \$0 revenue bin may include IBOs who earned between \$0 and \$10 but were not paid.

<sup>119</sup> Calculated as  $\$43.20 + \$40 + \$22.41 = \$106.62$ . I use the Amortized Membership Fees and Average Marketing Spend per IBO from January 2012, as it is the closest month to January 2010 in which expense data are available.

**C. Conclusion Regarding Historical IBO Compensation Outcomes**

89. To summarize, over the typical IBO's 15-month ACN lifespan from 2012 through 2016, they spent on average between \$548 (\$399 + \$149) and \$648 (\$499 + \$149) on ACN membership and renewal fees, \$600 ( $\$40 \times 15$ ) on ACN product and service purchases, and \$330 ( $\$22 \times 15$ ) on ACN marketing expenses, for a total average expenditure of between \$1,478 and \$1,578. To offset this expenditure, the typical ACN U.S. IBO made only about \$32 per month on average in revenue, or \$480 over their ACN lifespan. Thus, the typical U.S. IBO lost between \$998 and \$1,098 on average throughout their ACN lifespan, which is consistent with my conclusion above that the Compensation Plans do not describe a business opportunity with a reasonable prospect of economic success with low risk.<sup>120</sup>



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Stacie Bosley  
November 18, 2022

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<sup>120</sup> Additionally, if I consider the median earnings to be representative of the typical IBO, I would expect these losses to be even greater, as the expected median revenues are less than the expected average revenues, as discussed above.

**Exhibit II.A.2**  
**New IBOs per Existing IBO**  
**January 2012 - December 2016**

<b>Date</b>	<b>New IBOs</b>	<b>Renewals</b>	<b>Drops</b>	<b>Starting Count</b>	<b>Ending Count</b>	<b>New IBOs per Existing IBO</b>
<b>[A]</b>	<b>[B]</b>	<b>[C]</b>	<b>[D]</b>	<b>[E]</b>	<b>[F]</b>	<b>[G] = [B] / [E]</b>
January 2012	6,568	2,651	6,141	-	96,427	-
February 2012	6,984	2,682	5,371	96,427	97,613	0.07
March 2012	7,988	2,931	8,254	97,613	95,734	0.08
April 2012	6,455	2,180	4,999	95,734	97,456	0.07
May 2012	5,872	1,926	4,162	97,456	97,710	0.06
June 2012	6,790	1,806	3,672	97,710	99,118	0.07
July 2012	6,206	2,104	5,690	99,118	96,516	0.06
August 2012	5,375	1,928	5,904	96,516	95,471	0.06
September 2012	3,929	1,907	6,218	95,471	93,711	0.04
October 2012	6,832	2,006	5,982	93,711	96,850	0.07
November 2012	4,987	1,600	6,382	96,850	94,605	0.05
December 2012	4,910	1,661	6,371	94,605	94,539	0.05
January 2013	6,696	2,548	6,365	94,539	94,870	0.07
February 2013	6,450	2,425	6,796	94,870	94,524	0.07
March 2013	7,945	2,729	8,374	94,524	94,095	0.08
April 2013	6,328	2,149	6,627	94,095	93,796	0.07
May 2013	5,966	2,020	5,849	93,796	93,913	0.06
June 2013	5,459	2,320	6,320	93,913	93,052	0.06
July 2013	6,920	2,329	6,345	93,052	93,627	0.07
August 2013	6,323	2,014	5,503	93,627	94,447	0.07
September 2013	6,547	1,889	4,414	94,447	96,580	0.07
October 2013	6,598	2,064	6,778	96,580	96,400	0.07
November 2013	5,297	1,560	5,306	96,400	96,391	0.05
December 2013	4,961	1,733	4,876	96,391	96,476	0.05
January 2014	6,958	2,429	7,010	96,476	96,424	0.07
February 2014	6,467	2,378	6,499	96,424	96,392	0.07
March 2014	8,019	2,609	8,215	96,392	96,196	0.08
April 2014	6,259	2,179	6,548	96,196	95,907	0.07
May 2014	5,706	1,813	6,201	95,907	95,412	0.06
June 2014	4,737	1,883	5,667	95,412	94,482	0.05
July 2014	5,328	2,085	7,310	94,482	92,500	0.06
August 2014	4,640	1,848	6,551	92,500	90,589	0.05
September 2014	5,432	1,979	6,619	90,589	89,402	0.06
October 2014	4,923	1,939	6,594	89,402	87,731	0.06
November 2014	3,293	1,595	5,694	87,731	85,330	0.04

**Exhibit II.A.2**  
**New IBOs per Existing IBO**  
**January 2012 - December 2016**

<b>Date</b>	<b>New IBOs</b>	<b>Renewals</b>	<b>Drops</b>	<b>Starting Count</b>	<b>Ending Count</b>	<b>New IBOs per Existing IBO</b>
<b>[A]</b>	<b>[B]</b>	<b>[C]</b>	<b>[D]</b>	<b>[E]</b>	<b>[F]</b>	<b>[G] = [B] / [E]</b>
December 2014	3,916	1,825	5,158	85,330	84,088	0.05
January 2015	4,013	2,456	6,867	84,088	90,058	0.05
February 2015	4,358	2,371	6,387	90,058	88,029	0.05
March 2015	4,962	2,577	8,078	88,029	84,913	0.06
April 2015	4,281	2,086	6,341	84,913	82,853	0.05
May 2015	3,074	1,696	5,599	82,853	80,328	0.04
June 2015	3,243	1,872	5,143	80,328	78,428	0.04
July 2015	4,581	2,016	5,372	78,428	77,637	0.06
August 2015	3,708	1,863	4,781	77,637	76,564	0.05
September 2015	2,885	1,851	5,819	76,564	73,630	0.04
October 2015	2,869	1,983	5,037	73,630	71,462	0.04
November 2015	2,041	1,376	3,739	71,462	69,764	0.03
December 2015	2,363	1,517	4,429	69,764	67,698	0.03
January 2016	2,250	2,010	4,522	67,698	67,259	0.03
February 2016	2,877	2,141	4,536	67,259	65,600	0.04
March 2016	3,126	2,183	5,589	65,600	63,137	0.05
April 2016	1,836	1,614	4,965	63,137	60,008	0.03
May 2016	1,764	1,421	3,447	60,008	58,325	0.03
June 2016	1,518	1,464	3,762	58,325	56,081	0.03
July 2016	2,229	1,729	4,893	56,081	53,417	0.04
August 2016	2,211	1,485	4,053	53,417	51,575	0.04
September 2016	2,414	1,486	3,691	51,575	50,298	0.05
October 2016	1,820	1,389	3,453	50,298	48,665	0.04
November 2016	1,224	1,127	2,492	48,665	47,397	0.03
December 2016	1,938	1,235	2,884	47,397	46,451	0.04

**Notes:**

[1] The “Starting Count” in each month is assumed to be the “Ending Count” from the previous month.

[2] “New IBOs per Existing IBO” is calculated as the number of new IBOs in a month divided by the starting number of IBOs in that month. The average number of new IBOs per IBO is 0.05.

[3] There were 267,685 new U.S. IBOs over the period February 2012 to August 2016. Combined with the 96,427 U.S. IBOs in January 2012, this results in 364,112 total U.S. IBOs over the period.

**Source:**

[1] ACN000685.

# EXHIBIT 14





Now is the  
**TIME.**  
You've found the  
**PLACE.**

**ACN**<sup>®</sup>



The key to your success as a new  
Independent Business Owner (IBO)  
is getting off to a fast start in the right  
direction.

This welcome booklet gives you all the  
information you need to get started right  
away and unlock your future!



# Your new life begins today.

Fill in the details below so that you will be able to get the most out of getting  
started and this booklet.

Business ID: \_\_\_\_\_

Password: \_\_\_\_\_

Upline Name: \_\_\_\_\_

Upline Contact Number: \_\_\_\_\_

ACN Direct Online Store Address: \_\_\_\_\_

*See page 16 for details*

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## “Trust Me, You Are With The Right Company..”

In 2006, ACN made network marketing history when it received the personal endorsement of Donald J. Trump. Since then, Mr. Trump has continued to praise ACN's Co-Founders and extensive product portfolio.

In July 2008, ACN was featured in SUCCESS Magazine alongside Mr. Trump in a special section on ACN and network marketing. In 2009 and again in 2011, ACN accepted Mr. Trump's invitations to be featured on The Celebrity Apprentice, making network marketing history. Beyond that, Mr. Trump has become a fixture at ACN International Training Events, setting the record for the most appearances from the ACN stage by any ACN special guest speaker.

This billionaire endorsement is powerful, and it's available to you through ACN's Opportunity Disc or on your personal Distributor Website through Your Business Assistant.

“Welcome to ACN. I've worked with a lot of companies over the years, and I can say with 100% confidence that you've made the right decision choosing ACN. While this experience may be new for you, don't worry. ACN provides you with everything you need to be successful - all the training, support and tools.

Unlike many other network marketing companies, ACN provides products and services people already need and use. So you don't have to convince anyone to use your product - they already do. The beauty of ACN is that you are in business for yourself but not by yourself. You have a great partner by your side, with you every step of the way. You're entrepreneurs, yes...but being an entrepreneur is even better when you have the support of a great company behind you...and ACN is a great company.”

- Donald J. Trump

“I know what it takes to be a  
**SUCCESS**  
- and ACN has a  
**WINNING BUSINESS MODEL.”**

- Donald J. Trump

ACN Co-Founders Mike Cupisz and Greg Provenzano joined the cast on ACN's 2011 episode of The Celebrity Apprentice.

featured on...  
**THE CELEBRITY APPRENTICE**  
in 2009 and 2011

Donald J. Trump speaks from the ACN stage in Charlotte, North Carolina.



## Presenting the Opportunity

When you first get started, you should work closely with your upline and mentor and make use of all the tools that ACN provides to effectively present the ACN Opportunity to others. For all Independent Business Owners, it is extremely satisfying and exciting to share a life-changing opportunity with others and to watch them grasp the significance of the opportunity that they now have in their hands. Introducing others to the opportunity is important for your business as every customer your downline brings in becomes your customer as well!

Use your Warm Market List, located on pages 28 and 29 to invite 20 to 40 people to your first PBR!

And where's the best place to host your first home meeting?  
**Your HOME!**

Remember, the key is to expose as many people as possible to the ACN Opportunity, but you do not need to "sell" it to them...we don't need to convince anyone that this is the best opportunity available today. Just let the tools, Donald J. Trump and the opportunity speak for themselves!

### PBRs – Private Business Reception

PBRs, or home meetings, are the foundation of recruiting, where you invite people to preview the opportunity and see what ACN is all about. Using the 24 Hour Game Plan, you should schedule your first presentation within your first 24 hours. Your upline coach may want to take the lead in your initial presentations until you have the skills and experience in presenting the opportunity yourself.

### During the Presentation:

- Remove all distractions before the presentation, such as phones, children, etc.
- Provide beverages (no alcohol) or light snacks. Ensure that you also provide notepads, writing materials, 1-10 Business Opportunity Presentation Overview Flyers, Home Services Surveys and IBO Agreements for your guests.
- Welcome people as they arrive and introduce guests to each other. Once the presentation is about to begin, make sure all guests are seated.
- Make sure you start on time. Begin by welcoming everyone and thanking them for attending. Tell them a bit about yourself and share a brief testimonial of your ACN journey. Let them know how you feel about what they are about to be introduced to.
- Play the Opportunity Video on the DVD (optional).
- Your upline can either give the business presentation or you can use the 1-10 Business Opportunity Presentation Video, available on the Opportunity DVD.
- Ask guests to hold all questions until the end of the presentation, encouraging them to hear all of the information first. Following the presentation, encourage guests to mingle while you and your upline answer individual questions.
- Focus your attention on those guests who are interested, and sign up those who are ready to get started.
- Get everyone involved in the next Training Event!

# EXHIBIT 15

*Provided to Court on DVD*

# EXHIBIT 16



Jim Rohn: Want a Better Future? You Must Work on 'ou

SUCCESS FROM HOME

# SUCCESS | FROM HOME

## If It's *On*, You Get Paid

The Powerful Earning Potential of ACN Essential Services

ACN

Why **Donald Trump** and **Robert Kiyosaki** Recommend Network Marketing

Giving Back is in ACN's DNA

VOLUME 7 • ISSUE 8 • AUGUST 2011

ACN featured on

**THE CELEBRITY APPRENTICE**

2009 and 2011



company—and what kind of men they are. The ACN co-founders are men of integrity who put the needs of their people above their own needs. They define success by how many people they can help become successful right along with them, which is not a characteristic often seen typically in business.”

### History-Making Success

It's been five years since Trump first endorsed ACN, and since then a lot has happened. In addition to making numerous appearances at ACN International Training events, Trump and ACN have worked closely on other projects, always focusing on success.

In 2008, ACN appeared with Trump in *SUCCESS* magazine and later that year, the multibillionaire entrepreneur personally invited ACN to be featured on his hit prime-time reality television show *The Celebrity Apprentice*. ACN took Trump up on his offer, making network marketing history when it appeared on the show March 22, 2009. The episode was the second-highest rated of the season (the finale was the highest). And that was only the beginning.

In 2010, ACN was invited back for an encore appearance on the show, returning to the primetime spotlight on March 27, 2011, with more than 10 million viewers tuning in to watch the exciting episode.

“We knew the incredible impact the show had on our business and our independent business owners in 2009,” says ACN President and Co-Founder Greg Provenzano. “So when we were asked to join Mr. Trump back on the show, there was no way we were going to pass up the opportunity. Direct selling is all about sharing your business with the people you



During ACN's second appearance on *The Celebrity Apprentice*, co-founders Mike Cupisz and Greg Provenzano joined Trump and two of his children—Ivanka and Donald Jr.—to present ACN's task to the celebrity cast.

know, and *The Celebrity Apprentice* allowed our independent business owners to do just that, creating another avenue for them to showcase their businesses.”

### An Inviting Business Opportunity

In addition to all the things that drew Trump to ACN was the direct selling industry. The direct selling industry provides a viable business option for someone looking for a new opportunity. For a very small startup cost, average individuals can build a business of their very own. They don't need experience, education or the considerable resources most traditional businesses require. In fact, anyone can take advantage of this opportunity: from a retired executive to a young, ambitious kid, to a mom who wants to help her family. This is all about providing a level playing field for anyone who wants to take advantage of the home-based business ACN offers.

Trump really appreciates that aspect of direct sales and is a firm believer in people making it because of their spirit, natural intelligence, determination and commitment. Direct sales gives people from all walks of life an opportunity to be successful in business and have a successful life.

“Direct selling is a business whose time has truly come,” Trump says. “That is why the industry is growing when many others are suffering massive losses. What most people don't realize is that direct selling is actually one of the oldest, most respected business practices in the world. Long before there was mass advertising, people were using direct selling to move products. Direct selling puts the people element back into business—and for thousands and thousands of people, that means good business and a solid opportunity.”

### Commit to Success

Success is all about our commitment to it. It's about taking any opportunity and making the most of it. So how does someone like Trump stay tuned in and ready to go day after day, regardless of the circumstances in the moment?

“To be successful, you have to change from the inside out,” he says. “Spend a portion of every day working on your personal development. It's just as important as the time you spend building your business.”

ACN's co-founders have a similar belief, providing independent business owners with numerous personal-development tools

.....  
**“Spend a portion of every day working on your personal development. It's just as important as the time you spend building your business.”**  
 .....  
**—Donald Trump**  
 .....

and training on building self-awareness and confidence. And what breeds confidence more than a passionate belief in the company with which you choose to work and build your future? ACN has been acknowledged within the industry for its revolutionary and robust product line of essential services, its outstanding compensation plan and its great leadership. One thing perhaps stands out above all the rest, and Trump said it best: “You won't meet four better guys than the ACN co-founders.” **SFH**





ADVISOR | *Robert Kiyosaki & Donald Trump*

## Why Network Marketing? by Donald Trump

Marketing is a powerful tool, and network marketing can increase that power, provided you're self-motivated. In a simple visual, see a product and remove the advertising agency from it. It's up to you to share your business.

That's a big job, but it can be done if you're passionate enough to get going on your own, and to keep the momentum and motivation going at a high level. It requires an entrepreneurial spirit, and that means focus and perseverance.

Another important aspect of network marketing is that it's inherently social. Getting coffee, having dinner with friends and meeting new people are all part of building your business. It's forming relationships and opportunities to share your network marketing company's products and services.

Just like in advertising, there's no point in having a fantastic advertising campaign if the product is unequally fantastic. Also, keep in mind that if you become a distributor, you'll be legally responsible for the claims you make about the product, the company and the available opportunities.

As with any undertaking, know everything you can about what you are doing before you begin. Network marketing has proven itself to be a viable and rewarding source of income, and the challenges could be just right for you. There have been some remarkable examples of success, and those successes have been earned through diligence, enthusiasm and the right product combined with timing. As with so many issues, there are tangibles and the intangibles involved, but success is not a total mystery, and that applies to network marketing, as well.

My advice about network marketing is do your research, and put everything you've got into your product. Genuine enthusiasm is hard to beat, and the odds will be with you.

*A portion of this article is an excerpt from Robert Kiyosaki and Donald Trump's book Why We Want You to Be Rich. Published with the permission of Rich Press, an imprint of Rich Publishing, L.L.C. Copyright © 2006 by Donald J. Trump and Robert T. Kiyosaki.*

### Democratic Wealth-Building

One of the principal reasons I have put so much energy into supporting and promoting the network marketing industry is simply this: Its systems are fairer than previous systems of acquiring wealth.

A network marketing system is set up to make it possible for anyone to share in the wealth. This is a very democratic way of wealth creation. The system is open to anyone who has drive, determination and perseverance. The system does not really care what college you went to or whether you went to one at all. It does not care how much money you are making today, what race or sex you are, how good-looking you are, who your parents are, or how popular you are. Most network marketing companies care primarily about how much you are willing to learn, to change and to grow, and whether you have the guts to stick it out through thick and thin while you learn to be a business owner.

.....

**One reason I have such strong respect for network marketing is that it is a genuine equal-opportunity business.**

—Robert Kiyosaki

.....

Network marketing is more than just a good idea; in many ways, it is the business model of the future. Why? Because the world is finally starting to awaken to the reality that the Industrial Age is over.

In the years ahead, I expect to see an explosion in the prevalence, penetration, visibility and maturation of leading network marketing companies.

Like Thomas Edison with the light bulb, young Henry Ford did not invent the automobile, but he did something radical that forever changed the invention's destiny, along with the destiny of millions of people. At the turn of the century, the automobile was seen as a curiosity, a rich person's toy. And indeed, they were so inordinately expensive that only the rich could afford to own one. Ford's radical idea was to make the automobile available to everyone.

# EXHIBIT 17

*Provided to Court on DVD*

# EXHIBIT 18

*Provided to Court on DVD*

# EXHIBIT 19

*Provided to Court on DVD*

# EXHIBIT 20

*Provided to Court on DVD*

# EXHIBIT 21

*Provided to Court on DVD*

# EXHIBIT 22

*Provided to Court on DVD*



# EXHIBIT 23

McKoy, et al., v. The Trump Corporation, et al., Case No. 1:18-cv-09936 (S.D.N.Y)

Expert Report of Kevin Lane Keller

November 18, 2022

Confidential – Subject to Protective Order

**UNITED STATES DISTRICT COURT**

**SOUTHERN DISTRICT OF NEW YORK**

CATHERINE MCKOY, MARKUS FRAZIER,  
and LYNN CHADWICK, individually and on  
behalf of all others similarly situated,  
*Plaintiffs,*

v.

THE TRUMP CORPORATION, DONALD J.  
TRUMP, in his personal capacity, DONALD  
TRUMP JR., ERIC TRUMP, and IVANKA  
TRUMP,  
*Defendants.*

No. 1:18-cv-09936-LGS

**EXPERT REPORT OF KEVIN LANE KELLER**

**November 18, 2022**

and augment that source credibility. Mr. Trump returned to two key themes in these highly positive promotional statements about ACN that increased Mr. Trump's perceived trustworthiness and thus further enhanced the impact of his credibility:

- First, that he (and his subordinates) had closely researched and evaluated ACN, its leadership, its products, and its business model; and
- Second, that Mr. Trump was making this endorsement out of “love” and “belief” in ACN, “not for any money.”<sup>29</sup>

30. ACN sought out Mr. Trump specifically, among other interested celebrity spokespeople, because of the perceived fit between his brand and the ACN Opportunity, and as a result, the value his brand could bring to ACN by persuading more people to join ACN. His brand was seen as highly relevant and appropriate for a company that was largely unfamiliar to the public (i.e., ACN). Mr. Trump had carefully developed his brand through the years to be seen as an extremely successful businessman with a keen eye for successful investment opportunities and who gives invaluable advice (e.g., in the best-selling memoir about his life with which he is credited as co-author, *The Art of the Deal*) and is a shrewd judge of business talent (e.g., in his hit reality television series *The Apprentice*). Mr. Trump built his brand on a vast mass media platform that created awareness and shaped his image with consumers of all walks of life. Mr. Trump's credibility as an expert in business, coupled

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<sup>29</sup> “Learn 3 Networking Secrets From Donald Trump on Effective MLM Marketing,” April 5, 2010, <https://www.youtube.com/watch?v=NsIQSkulioI>, accessed November 1, 2022; “Donald Trump w/ Darren Hardy - ACN - Charlotte - 2013,” April 14, 2020, <https://www.youtube.com/watch?v=EFkbcWz2Gtw>, accessed November 1, 2022.

with his fame and noteworthiness at the time, gave Mr. Trump a high perceived fit with the ACN endorsement.

31. Mr. Trump's statements and ACN's marketing material specifically tied key aspects of the Trump brand to ACN, making the case that "success" was integral to both Mr. Trump and ACN. Especially for prospective IBOs who saw Mr. Trump as an aspirational figure to emulate, or otherwise found him highly credible (i.e., knowledgeable, trustworthy and/or likeable), Mr. Trump's strong positive endorsement would have provided reassurance and confidence, making these prospective IBOs more comfortable with investing in ACN whether or not they undertook extensive research or a more deliberate decision-making process.
32. The marketing material and specific statements by Mr. Trump offered a strong, virtually unqualified endorsement of the ACN Opportunity, and reinforced to prospective IBOs that the ACN Opportunity was a sound investment that would yield significant income. ACN employed these endorsement statements consistently and pervasively across a range of media: 1) content filmed by Mr. Trump was on Opportunity Discs, one of the primary marketing materials supplied to IBOs; 2) Mr. Trump spoke at 14 or more ACN events; 3) Mr. Trump invited ACN to be featured on *The Celebrity Apprentice* twice; 4) Mr. Trump agreed to have his likeness and endorsement message featured prominently on ACN's website; and 5) Mr. Trump agreed to articles co-promoting him and ACN in *Success* and *Success from Home* magazines. All (or nearly all) IBOs were likely exposed to multiple endorsement messages.

found that using comprehensive, integrated marketing communication programs is effective in building a brand, and this applies to celebrity endorsements. For example, using print, radio, and television marketing simultaneously expands coverage and tends to augment the effectiveness of each method, creating strong brand associations.<sup>92</sup> Similarly, “an integrated campaign [...] that makes use of consistent messages [...] leads to more positive effects on the number and favourability of brand associations as well as on brand attitude.”<sup>93</sup>

67. In the context of celebrity endorsements, this might include using the brand’s association with the endorsing celebrity’s brand across multiple media platforms (e.g., on video, in print, and in personal speeches), while maintaining consistency in messaging that links the celebrity’s person brand with the company’s brand.

**V. THE ACN OPPORTUNITY WAS COMPLEX AND DIFFICULT TO JUDGE, AND AS AN MLM, WOULD BENEFIT FROM LEGITIMIZATION**

**A. Prospective IBOs Would Have Difficulty Evaluating the ACN Opportunity**

68. The ACN Opportunity was complex and difficult to judge for prospective IBOs, which as I describe in Section IV.A, would have made a celebrity endorsement more persuasive.

<sup>92</sup> Kevin Lane Keller and Vanitha Swaminathan, *Strategic Brand Management, 5th Ed.*, Pearson, 2020, Ch. 6 (“Integrating Marketing Communications to Build Brand Equity”); Kevin Lane Keller and Donald R. Lehmann, “Brands and Branding: Research Findings and Future Priorities,” *Marketing Science*, Vol. 25, No. 6, Nov-Dec 2006, pp. 740-759, p. 743; Prasad A. Naik and Kalyan Raman, “Understanding the Impact of Synergy in Multimedia Communications,” *Journal of Marketing Research*, Vol. 40, No. 4, 2003; Julie A. Edell and Kevin Lane Keller, “The Information Processing of Coordinated Media Campaigns,” *Journal of Marketing Research*, Vol. 26, 1989, pp. 149-163; Rajeev Batra and Kevin Lane Keller, “Integrating Marketing Communications: New Findings, New Lessons, and New Ideas,” *Journal of Marketing*, Vol. 80, 2016, pp. 122-145.

<sup>93</sup> María Ángeles Navarro-Bailón, “Strategic Consistent Messages in Cross-Tool Campaigns: Effects on Brand Image and Brand Attitude,” *Journal of Marketing Communications*, Vol. 18, No. 3, 2012, pp. 189-202.

69. While MLMs sell physical products (e.g., participants in Avon, one of the largest MLMs in the United States, sell cosmetics), the MLM companies and their leadership often earn money on a basis of increasing the number of MLM participants, rather than solely through margins on the physical products.<sup>94</sup> This revenue can come through participant fees, through selling “inventory” to the participants for them to sell to others, through promotional events for participants, or through complicated formulas in which part of the proceeds from participants’ sales go to those who recruited them.<sup>95</sup>
70. As a result, there are fundamentally two products any MLM is selling: the physical product or service itself and the opportunity to participate in the MLM. In ACN’s case, both ACN’s physical product – telecommunications, including physical ACN videophones – and its MLM business model would have made it difficult for most consumers to assess the potential for earning money as an IBO. In my textbook, I use telecommunications equipment as an example of products “with a high degree of technical sophistication” that can be difficult for consumers to judge.<sup>96</sup>
71. Business opportunities are inherently complex – especially ones with complicated formulas for commissions including “downlines” of other participants.<sup>97</sup> I understand that the net

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<sup>94</sup> See, e.g., “How Do Multilevel Marketing Companies Make Their Money?,” May 16, 2019, <https://www.fool.com/investing/2019/05/16/how-do-multilevel-marketing-companies-make-their-m.aspx>; E. Napoletano and Benjamin Curry, “Understanding Multi-Level Marketing,” May 10, 2022, <https://www.forbes.com/advisor/investing/multi-level-marketing-mlm/>.

<sup>95</sup> United States Federal Trade Commission, “Multi-Level Marketing Businesses and Pyramid Schemes,” May 2021, <https://consumer.ftc.gov/articles/multi-level-marketing-businesses-pyramid-schemes> (“You may even have to buy products before you’re eligible to be paid or get certain bonuses. You also may have to pay repeated fees for other items, like training sessions or expensive marketing materials. [...] Expenses can include training and travel costs, website fees, promotional materials, costs to host parties, and costs to buy products.”).

<sup>96</sup> Kevin Lane Keller and Vanitha Swaminathan, *Strategic Brand Management*, 5th Ed., Pearson, 2020, p. 43.

<sup>97</sup> Evan Tarver, “What is an MLM? How Multilevel Marketing Works,” Investopedia, July 25, 2022, <https://www.investopedia.com/terms/m/multi-level-marketing.asp>.

income IBOs would earn from ACN relied on a number of variables, including both the number and type of telecommunications products purchased as well as the performance of the “downline” of additional IBOs recruited into ACN, that would be difficult or impossible for a prospective IBO to fully appreciate before investing in the ACN Opportunity.<sup>98</sup>

72. Since ACN combines a complex product category with a complex business model, prospective IBOs are particularly unlikely to have substantial personal knowledge and experience relevant to assessing the ACN Opportunity. In these circumstances, as described in Section IV.A, celebrity endorsements are particularly effective in influencing consumer behavior.
73. Because the ACN Opportunity – including both the potential marketability of the ACN videophone and the payout structure – were complex topics that would require substantial business knowledge and experience to assess thoroughly, it would be difficult for average consumers to assess the value of becoming an IBO. Even a prospective IBO who was highly motivated and had ample opportunity to research the decision may simply have been unable to meaningfully assess the relative strengths and weaknesses of the dual nature of the ACN Opportunity.
74. In addition, to the extent that ACN was not a well-known brand prior to the Trump Endorsement, prospective IBOs would have less information with which to assess the ACN Opportunity. Each of the named plaintiffs claims they had never heard of ACN prior to

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<sup>98</sup> See, e.g., ACN, Inc., “Policies and Procedures,” [https://acn.com/documents/legal/USPP\\_EN\\_ADA\\_9.01.21.pdf](https://acn.com/documents/legal/USPP_EN_ADA_9.01.21.pdf).

someone trying to recruit them into becoming an IBO.<sup>99</sup> As of 2020, ACN does not appear on a list of the 100 largest MLMs.<sup>100</sup> This lack of familiarity, too, would increase the difficulty of evaluating the ACN Opportunity, and thereby increase the importance of a celebrity endorsement for shaping behavior.

**B. The Stigma Attached to MLMs Like ACN Would Have Increased the Efficacy of a Celebrity Endorsement for those Evaluating the ACN Opportunity**

75. Prospective IBOs would have had to overcome the social stigma associated with MLMs like ACN. As I describe in Section IV.B, this need to overcome a stigma and gain legitimacy in the eyes of prospective IBOs would have made a celebrity endorsement more persuasive.
76. According to the United States Federal Trade Commission, “[m]ost people who join legitimate MLMs make little or no money. Some of them lose money. In some cases, people believe they’ve joined a legitimate MLM, but it turns out to be an illegal pyramid scheme that steals everything they invest and leaves them deeply in debt.”<sup>101</sup> A 2017 study

<sup>99</sup> Deposition of Catherine McKoy, *McCoy, et al., v. The Trump Corporation, et al.*, No. 1:18-cv-09936-LGS, June 21, 2022 (“McKoy Deposition”), at 184:01-184:03; Deposition of Chatwick Lynn, *McCoy, et al., v. The Trump Corporation, et al.*, No. 1:18-cv-09936-LGS, April 27, 2022 (“Lynn Deposition”), at 20:18-21:17; Deposition of Markus Frazier, *McCoy, et al. v. The Trump Corporation, et al.*, No. 1:18-cv-09936-LGS, May 17, 2022 (“Frazier Deposition”), at 11:22-14:25.

<sup>100</sup> S4DS, “Top 100 MLM and Direct Selling Companies in the World in 2020,” <https://www.s4ds.com/blog/top-100-mlm-and-direct-selling-companies-in-the-world-in-2020/>.

<sup>101</sup> United States Federal Trade Commission, “Multi-Level Marketing Businesses and Pyramid Schemes,” May 2021, <https://consumer.ftc.gov/articles/multi-level-marketing-businesses-pyramid-schemes>.



by industry watchdog group the Consumer Awareness Institute found that 99% of MLM sellers lose money.<sup>102</sup>

77. Consumers of popular culture might have seen negative depictions of MLMs in a number of popular television programs, such as “The Office,” “King of the Hill,” “Superstore,” “Brooklyn 99,” “It’s Always Sunny in Philadelphia,” or “Schitt’s Creek,” among other television shows and movies.<sup>103</sup> Consumers could read news articles in popular publications like *USA Today* describing MLMs being shut down by regulators as illegal pyramid schemes, such as happened to Fortune Hi-Tech, one of the largest MLMs at the time, in 2013.<sup>104</sup> Prospective IBOs evaluating the ACN Opportunity might have heard from families, friends, popular culture, or other sources that MLMs are associated with pyramid schemes, creating a stigma around MLMs.
78. As William Keep, Professor of Marketing and Dean of the business school at The College of New Jersey put it: “This industry — multi-level marketing — is literally always fighting the criticism that the fundamental business model is a scam.”<sup>105</sup> Even the ACN website has

<sup>102</sup> Jon M. Taylor, “Chapter 7: MLM’s Abysmal Numbers,” *The Case (For And) Against Multi-Level Marketing*, Consumer Awareness Institute, 1999, pp. 7.1-7.33.  
[https://www.ftc.gov/sites/default/files/documents/public\\_comments/trade-regulation-rule-disclosure-requirements-and-prohibitions-concerning-business-opportunities-ftc.r511993-00008%C2%A0/00008-57281.pdf](https://www.ftc.gov/sites/default/files/documents/public_comments/trade-regulation-rule-disclosure-requirements-and-prohibitions-concerning-business-opportunities-ftc.r511993-00008%C2%A0/00008-57281.pdf).

<sup>103</sup> IMDb, “Most Popular Movies and TV Shows with Keyword ‘pyramid-scheme’”,  
<https://www.imdb.com/search/keyword/?keywords=pyramid-scheme>; IMDb, “Most Popular Movies and TV Shows Tagged with Keyword ‘multi-level-marketing’”,  
<https://www.imdb.com/search/keyword/?keywords=multi-level-marketing>.

<sup>104</sup> Jayne O’Donnell, “Federal, Regulators Down Fortune Hi-Tech,” January 28, 2013,  
<https://www.usatoday.com/story/money/personalfinance/2013/01/28/fhtn-shut-down-pyramid-scheme/1870527/>.

<sup>105</sup> Tamara Lush and Bernard Condon, “Losses, Regrets, and Questions at Companies Trump Endorsed,” AP News, <https://apnews.com/article/831a24c9ff4043fbbd994d14b03d22ce>, accessed October 4, 2022.

a section dispelling “common misconceptions” about the MLM industry such as “direct selling is a pyramid scheme.”<sup>106</sup>

79. Therefore, prospective IBOs considering investing in the ACN Opportunity might have been concerned that they would be unable to make money – or even lose all their money – and that investing in the ACN Opportunity would not pay off. Anyone considering investing in the ACN Opportunity who was aware of this stigma might have questioned ACN’s legitimacy. Any external source of legitimization – including celebrity endorsements – could have a significant impact on a prospective IBO’s decision about whether or not to invest in the ACN Opportunity. Dr. Keep argues that “[i]n order to offset [the image of MLMs as being a scam], getting endorsers lends legitimacy.”<sup>107</sup> In this context, a credible celebrity endorsement would lend legitimacy to counteract this stigma, and could have a significant influence on prospective IBOs’ decision-making.

**C. Celebrity Endorsements Are Common for MLMs Since it Can Be Difficult for Prospects to Evaluate the Relevant Opportunity**

80. Since the business opportunity of joining an MLM is complex and difficult to judge, and MLMs have stigma attached to them through associations with pyramid schemes, celebrity endorsements would be expected to be especially effective for this industry. Given this analysis, one might expect MLMs to use celebrity endorsements regularly, and indeed many prominent MLMs use celebrity endorsements as a key part of their marketing efforts.

<sup>106</sup> ACN, Inc., “ACN & Direct Selling,” <https://acn.com/us-en/faqs/acn/acn-direct-selling>, accessed November 15, 2022, accessed November 15, 2022.

<sup>107</sup> Tamara Lush and Bernard Condon, “Losses, Regrets, and Questions at Companies Trump Endorsed,” AP News, <https://apnews.com/article/831a24c9ff4043fbbd994d14b03d22ce>, accessed October 4, 2022.

81. There are numerous examples of celebrities being employed in MLM settings. In 2013, international soccer star Cristiano Ronaldo signed an endorsement deal with Herbalife Nutrition, the third-largest MLM in the world as of 2016, with \$4.5 billion in annual sales.<sup>108</sup> Mr. Ronaldo reportedly received about £400,000 per year for his endorsement, which Herbalife describes as “a huge asset for creating global brand exposure and recognition.”<sup>109</sup> Herbalife distributed “Promotional Guidelines” describing “specific rules we must follow when talking about the relationship and depicting Ronaldo in our marketing materials,” including requiring that all materials created with Mr. Ronaldo’s likeness undergo “Brand Review.”<sup>110</sup> This illustrates both the importance Mr. Ronaldo places in actively managing his brand, and Herbalife’s awareness of the importance of keeping celebrity endorsees onboard.
82. In addition to Mr. Ronaldo, Herbalife sponsors football players Kyle Hamilton (of the Baltimore Ravens) and Cater Coughlin (of the New York Giants), professional triathlete Heather Jackson, basketball player Ziaire Williams (of the Memphis Grizzlies), and the LA

<sup>108</sup> Josh Saunders, “How Man Utd’s Cristiano Ronaldo Made Millions with a String of Junk Food Deals Including Coca-Cola, KFC & Energy Drinks,” *The U.S. Sun*, June 16, 2021, <https://www.the-sun.com/sport/3095176/cristiano-ronaldo-coca-cola-advert-sponsorship-deals/>, accessed October 18, 2022; Michelle Celarier, “Herbalife’s Endgame,” *Slate*, May 9, 2016, <https://slate.com/business/2016/05/the-government-is-finally-closing-in-on-herbalife-herbalife-will-fight-back-hard.html>, accessed October 27, 2022.

<sup>109</sup> Jake Polden, “Cristiano Ronaldo’s Multi-Million Pound Empire Without Even Kicking a Ball,” *Mirror*, <https://www.mirror.co.uk/sport/football/news/cristiano-ronaldos-multi-million-pound-13814365>, accessed October 4, 2022; Herbalife, Inc., “Herbalife and Cristiano Ronaldo Promotional Guidelines,” 2013, [https://www.myherbalife.com/Content/en-US/pdf/toolsAndTraining/brandAndSponsorships/herbalifeSports/CristianoRonaldo/Ronaldo\\_Promotional\\_Guidelines.pdf](https://www.myherbalife.com/Content/en-US/pdf/toolsAndTraining/brandAndSponsorships/herbalifeSports/CristianoRonaldo/Ronaldo_Promotional_Guidelines.pdf), accessed October 17, 2022.

<sup>110</sup> Herbalife, Inc., “Herbalife and Cristiano Ronaldo Promotional Guidelines,” 2013, [https://www.myherbalife.com/Content/en-US/pdf/toolsAndTraining/brandAndSponsorships/herbalifeSports/CristianoRonaldo/Ronaldo\\_Promotional\\_Guidelines.pdf](https://www.myherbalife.com/Content/en-US/pdf/toolsAndTraining/brandAndSponsorships/herbalifeSports/CristianoRonaldo/Ronaldo_Promotional_Guidelines.pdf).

Galaxy professional soccer team, among others.<sup>111</sup> Altogether, Herbalife sponsors over 180 athletes, teams, and leagues globally across a wide range of sports.<sup>112</sup> Herbalife describes their sponsored athletes as follows: “Our sponsored athletes are driven to succeed. They incorporate our products to help fuel their performance.”<sup>113</sup>

83. These various endorsements are signals of the quality of Herbalife *products*, and they make sense in that capacity, as athletes have a high perceived fit with health products. While the sponsorship is closely tied to both the product and the nature of the MLM, the endorsement focuses on the product itself, and the perceived fit between endorser and endorsee relates to the product.
84. Notably, I am not aware of any of these celebrity athletes endorsing joining Herbalife as the equivalent to an IBO (what Herbalife terms “distributors”). If they had done so, their value as spokespeople would have been at least marginally reduced, since consumers might well trust an athlete to identify quality health products, but not trust them to identify quality business opportunities. However, insofar as the athletes’ endorsement confer legitimacy to the enterprise and convey that the underlying products are marketable, they would play an indirect role in promoting the Herbalife business opportunity as well.
85. Another MLM, Avon cosmetics, has a long history of entering into endorsement deals with television and movie stars. In 2007, for example, Reese Witherspoon accepted an offer to

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<sup>111</sup> Herbalife, Inc., “Sports & Sponsorship,” <https://www.herbalife.com/about-us/sports-and-sponsorship/>, accessed October 4, 2022.

<sup>112</sup> Herbalife, Inc., “Sporting Sponsorships,” Herbalife Nutrition - Australia & New Zealand, <https://www.herbalife.com.au/about-us/sporting-sponsorships/>, accessed October 4, 2022.

<sup>113</sup> Herbalife, Inc., “Herbalife Sponsored Athletes,” Herbalife Nutrition, <https://iamherbalifenutrition.com/sponsored-athletes/>, accessed October 17, 2022.

become a spokesperson for Avon.<sup>114</sup> She reportedly received \$20 million over four years for her work as a “roving Avon ambassador,” before ending the contract.<sup>115</sup> Other celebrities Avon has hired include Salma Hayek, Megan Fox, and Julia Roberts.<sup>116</sup> The repeated, multi-million dollar endorsement contracts with a range of celebrities over decades suggests the high value found in celebrity endorsements as assessed by Avon executives.

86. As with Herbalife’s sponsored athletes, these celebrity endorsements focused on the Avon products themselves, capitalizing on the perceived fit between well-liked, attractive actresses and makeup products. I am not aware of any of these celebrities endorsing the business opportunity represented by becoming an Avon distributor.

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<sup>114</sup> Reuters Life, “Reese Witherspoon Heeds Avon Call to be Spokeswoman,” Reuters, <https://www.reuters.com/article/us-witherspoon/reese-witherspoon-heeds-avon-call-to-be-spokeswoman-idUSN0141828920070802>, accessed November 15, 2022.

<sup>115</sup> Ross Toback and Julia Marsh, “Ex-Avon Employee Claims Company Exploited Celebrity Clients,” New York Post, <https://nypost.com/2015/08/10/ex-avon-employee-claims-company-exploited-celebrity-clients/>, accessed November 15, 2022.

<sup>116</sup> Ben Bold, “Hollywood Star Salma Hayek Names Avon as Brand Association She’s Most Proud Of,” Campaign Live, March 23, 2015, <https://www.campaignlive.co.uk/article/hollywood-star-salma-hayek-names-avon-brand-association-shes-proud/1339535>, accessed October 4, 2022; Avon Worldwide, “Avon Names Megan Fox as the Face of Instinct,” August 21, 2013, <https://www.avonworldwide.com/pt/news/archive/index-php-s-10922-item-126236>, accessed October 4, 2022; WENN, “Julia Roberts to be the Face of Avon,” Hollywood.com, June 7, 2014, <https://www.hollywood.com/celebrities/julia-roberts-to-be-the-face-of-avon-57156100>, accessed October 4, 2022.

companies at the same time.”<sup>141</sup> This indicates that from ACN’s perspective, both MLMs were primarily selling the business opportunity of participating in the MLM – where they were competitors for potential participants – and that ACN wanted Mr. Trump’s endorsement primarily for the purpose of increasing the number of IBOs.

101. For a company like ACN, marketing business investment opportunities to consumers, it would make sense to recruit a celebrity endorser who prospective IBOs saw as business savvy, able to identify a money-making opportunity, and whose success the prospective IBOs might take as a model for their own success. To achieve this goal, ACN hired the services of Donald Trump.

**C. ACN and Mr. Trump Emphasized Trump Brand Associations that Were Valuable for Marketing the ACN Opportunity**

102. The scripts that Mr. Trump worked from in his filmed endorsements demonstrate some of the key brand associations that were being leveraged by ACN:

- Under the heading “Donald Trump on Success for the ACN Sales Reps” the script said, “The Trump name and success are one and the same.”<sup>142</sup> Here, Mr. Trump is taking the Trump brand association of “success” and applying it to ACN – suggesting that ACN sales representatives will be successful, like Donald Trump.

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<sup>141</sup> TTO\_003310-TTO\_003311.

<sup>142</sup> TTO\_007353-TTO\_007357.

her view, ACN felt that Mr. Trump had “an ability to be recognized by the public” and “the audience [at ACN events] would feel that they were being recognized. Because the audience was entrepreneurs.”<sup>148</sup> In her communications with the Trump Organization seeking a speaking engagement from Mr. Trump, Ms. Butcher explained that “Mr. Trump stands for vision, resilience and entrepreneurial success – traits that ACN finds very admirable.”<sup>149</sup>

106. As discussed in Section IV.D, key components of source credibility include expertise, trustworthiness, and attractiveness or likeability. Mr. Trump’s credibility as a source of information for current and prospective IBOs drew in large part from his perceived expertise in business, and specifically in entrepreneurial pursuits and identifying business opportunities with a high yield of revenue and profits.
107. As described in Section VI.A **Error! Reference source not found** the Trump brand built up over decades of work included associations directly tied up in the concept of *expertise*, with Mr. Trump positioned as a uniquely strategic and savvy expert in business. Dr. Keep argues that “there’s a certain pattern to MLMs that is completely consistent with Trump’s image, of the ‘you can do it, anybody can do it, anybody can succeed’ message. [...] Donald Trump, if nothing else, conveys the ability to succeed.”<sup>150</sup>

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<sup>148</sup> Butcher Deposition, at 43:02-43:05 (“What they were after was name recognition and the ability to speak and that the audience would feel that they were being recognized. Because the audience was entrepreneurs.”).

<sup>149</sup> TTO007255-260, at 255.

<sup>150</sup> Tamara Lush and Bernard Condon, “Losses, Regrets, and Questions at Companies Trump Endorsed,” AP News, <https://apnews.com/article/831a24c9ff4043fbbd994d14b03d22ce>, accessed October 4, 2022.

successful real estate ventures,” his “best-selling books,” and his “hit reality television show.” These associations focus on Mr. Trump’s general success and reinforce his expertise, trustworthiness, and credibility. The website then ties these brand associations to ACN, arguing that Mr. Trump “knows a great business when he sees it,” and suggests that ACN is a great business Mr. Trump has identified and “put his support behind.” The claim that Mr. Trump “believes in ACN” suggests that his endorsement is not just for money, and therefore is more trustworthy and credible in assessing the company.

118. Mr. Trump’s belief in ACN as his motivation, rather than money, is a theme he returned to many times in Trump Endorsement messages, including that “I do this [i.e., endorse ACN] ... because I love it because I think this is a great company and I love these ACN audiences!”<sup>163</sup> Similarly, he claimed that “I’ve really fallen in love with ACN. I’ve known them a long time now and I’m still here.”<sup>164</sup>
119. These sorts of statements would lead prospective and current IBOs to see Mr. Trump as a more trustworthy source of information about ACN, since he specifically states that endorsement money could not and did not sway his assessment. Greater perceived trustworthiness and credibility would, in turn, enhance the persuasiveness of Mr. Trump’s endorsement in encouraging prospective IBOs to invest in the ACN Opportunity.

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<sup>163</sup> Anne Archer, *SUCCESS from Home*, “Thinking Big with Donald Trump and ACN,” September 2014, ACN000549-ACN000556.

<sup>164</sup> “Learn 3 Networking Secrets From Donald Trump on Effective MLM Marketing,” April 5, 2010, <https://www.youtube.com/watch?v=NsIQSkulioI>.



# **VIII. ACN LEVERAGED MR. TRUMP’S POSITIVE CREDIBILITY AND STRONG POSITIVE ENDORSEMENT MESSAGES ACROSS PLATFORMS**

120. As discussed in Sections IV-VII, the ACN Opportunity was well-suited to a celebrity endorsement, and Mr. Trump was well-suited to be that endorser. A good fit between endorser and endorsee increases the likelihood of an effective endorsement, but it is also important that the endorsement be well-executed. Mr. Trump and ACN promoted the Trump Endorsement actively and effectively: Mr. Trump made numerous strong, positive statements about ACN and the ACN Opportunity’s potential to bring financial success to IBOs, and the Trump Endorsement was featured extensively across multiple media sources.

## **A. The Trump Endorsement Emphatically Suggested that Prospective IBOs Could Succeed Financially If They Invested in the ACN Opportunity**

121. The Trump Endorsement conveyed extremely positive messages about the potential for IBOs to earn significant money from the ACN Opportunity, as assessed by Mr. Trump after his purported extensive research, and building upon his perceived expertise, trustworthiness, and credibility. He describes in glowing terms ACN’s leadership, business model, products, and the overall potential for earning financial success. For example, in one video clip available on YouTube, Mr. Trump claims, “I know what it takes to be a success, and ACN has a winning business model. And I mean – winning.”<sup>165</sup> Similarly, he claimed, “ACN uses a model with a proven track record and it’s creating millionaires.”<sup>166</sup>

<sup>165</sup> “Who Else Would Like to Work with Donald Trump??,” March 21, 2009, <https://www.youtube.com/watch?v=VBPGaKEV-e0>, accessed November 1, 2022.

<sup>166</sup> “Donald Trump ACN Business Model,” March 14, 2009, <https://www.youtube.com/watch?v=KmIMb9BxmSM>, accessed November 1, 2022.

134. In March 2011, a second episode of *The Celebrity Apprentice* again challenged contestants to produce a commercial for ACN, this time advertising the IRIS 5000 videophone. ACN paid \$1.65 million to be featured on this episode.<sup>183</sup> 9.05 million people watched this season of *The Celebrity Apprentice*.<sup>184</sup>
135. These television appearances juxtaposed the ACN brand with the Trump brand, and also positioned ACN as similar to other fairly well-known brands featured on *The Apprentice* or *The Celebrity Apprentice*, such as Pedigree Pet foods, Kodak, Vera Wang by Serta, QVC, Quiznos Sub, LifeLock, Omaha Steaks, Buick, Walgreens, and Crocs.<sup>185</sup> This reference group added to the legitimacy of the ACN brand. In the show's history, ACN was one of only a few featured brands to appear on more than one episode, further underlining ACN's legitimacy.<sup>186</sup>

#### 4. ACN Website

136. ACN also used Mr. Trump's likeness on its website, emphasizing the close relationship between ACN and Mr. Trump. ACN featured Mr. Trump on its website consistently from 2006 until the end of the endorsement deal in 2015.<sup>187</sup> This feature included a sub-page

<sup>183</sup> JMBP00003755-JMBP00003780.

<sup>184</sup> Tony Maglio, "'Celebrity Apprentice': Just How 'Yuge' Were Those TV Ratings Anyway?," *The Wrap*, January 1, 2017, <https://www.thewrap.com/celebrity-apprentice-trump-tv-ratings-arnold/>.

<sup>185</sup> Carl Marcucci, "'The Celebrity Apprentice' details advertiser list," December 7, 2007, <https://www.rbr.com/the-celebrity-apprentice-details-advertiser-list/>; "The Apprentice (US): All Seasons," <https://thetvdb.com/series/the-new-celebrity-apprentice/allseasons/official>.

<sup>186</sup> See, e.g., "The Apprentice (US): All Seasons," <https://thetvdb.com/series/the-new-celebrity-apprentice/allseasons/official>.

<sup>187</sup> ACN, Inc., "ACN & Donald J. Trump," June 15, 2008, <https://web.archive.org/web/20080615160445/http://www.acninc.com/acn/us/opportunity/trump.jsp>, accessed October 27, 2022; ACN, Inc., "ACN," June 21, 2015, <https://web.archive.org/web/20150621214440/http://acninc.com/trump>, accessed October 27, 2022.

devoted to the relationship between Mr. Trump and ACN, including numerous video clips of Mr. Trump endorsing ACN, quotes from Mr. Trump, Mr. Trump's likeness, and narrative text emphasizing the relationship between Mr. Trump and ACN.

##### 5. *Success and Success from Home Magazines*

137. ACN worked with the Trump Organization to place at least four magazine articles in *Success* and *Success from Home* magazines that featured Mr. Trump and/or ACN, further linking their brands and sometimes directly promoting ACN and the ACN Opportunity.<sup>188</sup> These articles included “Thinking Big with Donald Trump and ACN” and “Trump Power.”<sup>189</sup> These articles reinforced similar themes to the Trump Endorsement efforts in other media. For example, statements from these articles such as the following reinforced Mr. Trump's credibility: “I've known the ACN co-founders for years and I must tell you, I've gotten to know them very well. And the level of integrity there is amazing.”<sup>190</sup>

<sup>188</sup> Robert Kiyosaki and Donald Trump, *SUCCESS from Home*, “Discover the Network Marketing Way to Wealth,” May 2007, PL000002547-PL000002679; Anne Archer, *SUCCESS from Home*, “Direct Selling in the Age of Donald J. Trump,” August 2010, SPHC 000536-SPHC 000673; Robert Kiyosaki and Donald Trump, *SUCCESS from Home*, “Why We Recommend Network Marketing,” April 2007, ACN000568-ACN000573; Beth Douglass Silcox, *SUCCESS from Home*, “Recognizing a Winner,” September 2013, SPHC 000813-SPHC 000950; Anne Archer, *SUCCESS from Home*, “Thinking Big with Donald Trump and ACN,” September 2014, ACN000549-ACN000556.

<sup>189</sup> Anne Archer, *SUCCESS from Home*, “Thinking Big with Donald Trump and ACN,” September 2014, ACN000549-ACN000556; Mike Seemuth, *SUCCESS*, “Trump Power,” August/September 2008, ACN000557-ACN000567.

<sup>190</sup> Anne Archer, *SUCCESS from Home*, “Thinking Big with Donald Trump and ACN,” September 2014, ACN000549-ACN000556, pp. 66-67.

# EXHIBIT 24

*Provided to Court on DVD*

# EXHIBIT 25

[RESERVED]

# EXHIBIT 26

*Provided to Court on DVD*



# EXHIBIT 27

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

Index No. 1:18-cv-09936-LGS

CATHERINE MCKOY, MILLARD WILLIAMS,  
MARKUS FRAZIER, and LYNN CHADWICK  
individually and on behalf of all  
others similarly situated,

Plaintiffs,

-vs-

THE TRUMP CORPORATION, DONALD J. TRUMP,  
in his personal capacity,  
DONALD TRUMP, JR.,  
ERIC TRUMP, and IVANKA TRUMP,

Defendants.

VIDEOTAPED DEPOSITION OF DONALD J. TRUMP

Tuesday, October 11, 2022  
9:37 a.m. - 3:16 p.m.

The Mar-a-Lago Club  
1100 South Ocean Boulevard  
Palm Beach, Florida 33480

Stenographically Reported By  
Pamela J. Pelino, RPR, FPR, CLR  
Notary Public, State of Florida  
TSG REPORTING  
Job #:218087

- - -

1 D.J. TRUMP

2 MR. ROBERT: If we could take five  
3 minutes. And the time, Ms. Reporter, just to  
4 be clear.

5 THE VIDEOGRAPHER: Off the record. The  
6 time is 10:33.

7 (A brief recess was taken.)

8 MS. KAPLAN: On the record.

9 THE VIDEOGRAPHER: On the record. The  
10 time is 10:43.

11 BY MS. KAPLAN:

12 Q. I'm going to shift gears a little bit,  
13 Mr. Trump, and we're going to go to a different  
14 topic.

15 Are you familiar with the company known  
16 as ACN?

17 A. Yes.

18 Q. Do you know what ACN stands for?

19 A. No. I did at one time. I don't remember  
20 now.

21 Q. Isn't it true that ACN is a multilevel  
22 marketing company?

23 A. I believe so, yes.

24 Q. And do you understand that to be the same  
25 thing as a network marketing company?

D.J. TRUMP

A. No, I don't.

Q. What's the difference?

A. I don't know. I don't know.

Q. What is a multilevel marketing company?

A. It's a company that has various platforms, various things that they sell, and they sell them in different manner and form.

Q. And can you explain how a multilevel marketing company differs from a direct selling company?

A. No, I can't.

Q. What's an IBO?

A. I don't know.

Q. I take it from your last answer that you never became an IBO in ACN?

A. What is an IBO?

Q. Let me represent to that you IBO stands for independent business operator.

A. Yeah. I wouldn't have known that, no.

Q. And it's fair to say that you were never an ACN IBO?

A. No.

Q. And is it fair to say that to the best of your knowledge, no one in your family was a ACN IBO?



1 D.J. TRUMP

2 A. I believe that to be true.

3 Q. Sitting here today, do you know how a  
4 person became an IBO?

5 A. No.

6 Q. Sitting here today, do you know how much  
7 it costs to become an IBO?

8 A. No, I don't.

9 Q. Sitting here today, do you know how an  
10 IBO made money?

11 A. No, I don't.

12 Q. Sitting here today, do you know how an  
13 IBO's commissions were calculated by ACN?

14 A. No, I don't.

15 Q. Sitting here today, have you every heard  
16 the phrase "customer acquisition bonus" as used by  
17 ACN?

18 A. No.

19 Q. I take it, given that, you wouldn't know  
20 how IBOs earned customer acquisition bonuses?

21 A. No, I wouldn't. Had nothing to do with  
22 the company.

23 Q. Have you ever heard of the ACN phrase "A  
24 qualified team trainer"?

25 A. No.

D.J. TRUMP

Q. So you wouldn't know how an IBO became a qualified team trainer?

A. No.

Q. Do you know anything -- I take it for the same thing you wouldn't know the different levels above a qualified team trainer?

A. I wouldn't know that, no.

Q. Okay. Sitting here today, do you know whether attaining certain levels within ACN required IBO -- an IBO to recruit new IBOs into ACN?

A. No, I wouldn't know that.

Q. Have you seen an ACN compensation plan?

A. No.

Q. I take it you would therefore have no understanding of how their compensation plan worked?

A. No, I don't know that.

Q. Have you ever heard, in connection with ACN, the phrase "a downline"?

A. No.

Q. I take it you've never heard the phrase "an upline"?

A. No, I have not.

Q. I take it for the same reasons you have -- sitting here today, you don't know how IBOs



1 D.J. TRUMP

2 earn commissions, either, on downline sales?

3 A. No, I don't.

4 Q. Sitting here today, do you -- withdrawn.

5 Do you know -- sitting here today, do you  
6 recall ever knowing how many ACN IBOs made a profit  
7 in their first year?

8 A. I don't know. But I did speak to --  
9 during many speeches, I would speak to people that  
10 were involved with ACN. I'm not talking management;  
11 I'm talking about people that were involved. And  
12 they were tremendously happy, very happy.

13 I'd see large groups of people before I'd  
14 speak and sometimes after I'd speak, and they were  
15 tremendously happy. Some were in there for a long  
16 time. And I always remember that.

17 But I would see them almost all the time  
18 in large groups -- you know, fairly large groups or  
19 smaller groups or even individually, just by being  
20 there, by waiting to speak, et cetera, et cetera,  
21 and I'd meet people that were involved with ACN and  
22 they loved the company. That's one of the things  
23 that were -- you know, I mean, it was a company that  
24 was liked very much by the people I got to meet.

25 Q. So if I understand your testimony,

1 D.J. TRUMP

2 Mr. Trump, when you would give speeches for ACN,  
3 sometimes before the speech or sometimes after the  
4 speech --

5 A. Yeah. Randomly, yeah.

6 Q. -- you would meet with groups of people  
7 who were there who were involved with ACN; correct?

8 A. Yeah. As an example, they would come up  
9 and say could we have a picture. I'd say, what do  
10 you do? I don't know if you call the word  
11 "investor" or whatever you'd call it, but we're  
12 involved with ACN. I'd say, Good. How are you  
13 doing? Oh, we love the company, we love the  
14 company. They were very happy people.

15 And they were there for a long time, too.  
16 It wasn't just like they just joined. They were  
17 there for a long time.

18 Q. Okay. So some of those conversations  
19 would happen as a result of photo opportunities?  
20 They wanted to get your picture?

21 A. Yeah, photo opportunities and just being  
22 there.

23 Q. Okay. And --

24 A. And it wasn't set up by ACN. I mean,  
25 you'd just have -- you know, if I'd speak in front



D.J. TRUMP

of thousands of people, there were a lot of people around.

Q. Yeah. So just natural conversations that would take place either before or after speeches, sometimes --

A. Yeah.

Q. -- people would want to take --  
(Simultaneous speakers.)

THE WITNESS: Just being there.

BY MS. KAPLAN:

Q. And during those conversations, the general sense you had is the people who you spoke with in that capacity said they were very happy with the company?

A. I think in every instance. I don't think I ever had one that wasn't like somebody with a long face, somebody that wasn't happy. And these were people that were in that whole ACN system or whatever you might call it. They'd been there for a long time in many cases. Some were quicker, but they'd been there for -- in other words, they've had a long time and they were all happy. They all made money. I said, Have you done well? They said, We've done so great.

D.J. TRUMP

BY MS. KAPLAN:

Q. So, just to pack that apart if we can -- or unpack that statement if we can.

The four people you met that you're referring to, those were the four founders of ACN?

A. Yes.

Q. Okay. And you said that after you met them, you had "One of my very smart people do research on the company"?

A. Yeah.

Q. Who was that person?

A. I think it was George Ross, who worked for me. I believe. It was a long time ago. But I believe -- George was a great guy, smart guy. He's -- I hope he's still around. I don't know if he is or not.

Q. I was just going to ask the question do you know if he's still alive?

A. I don't know. He may not be.

Q. What was his job for you?

A. He was a lawyer.

MR. ROBERT: Mr. Trump, sir, I'm just going to respectfully advise you that to the extent you had conversations getting legal

1 D.J. TRUMP

2 advice from him or anyone else, that these  
3 questions would be subject --

4 THE WITNESS: Well, he was a lawyer, so I  
5 don't know how you'd respond to that. But he  
6 was a --

7 He's an older guy, but very smart. He  
8 was an older guy then, so I haven't spoken to  
9 him in years.

10 BY MS. KAPLAN:

11 Q. Do you know when he left the Trump Org?

12 A. Well, he retired long time ago. Ten  
13 years ago, whatever.

14 Q. And do you know if as part of the  
15 research that he did, he produced any document?

16 A. I don't think so. I think he did  
17 research. He was a smart person, and he was just  
18 one of many people that liked it. They liked the  
19 company. The company is still here. Remember that:  
20 They're still here. Lot of companies aren't around  
21 anymore.

22 Q. I want to follow up with a question your  
23 counsel asked or the point that your counsel made,  
24 which is I take it from this video that you were  
25 asking Mr. Ross to do research about the company

# EXHIBIT 28





# Policies and Procedures

U.S. 2012



ACN000574

CONFIDENTIAL

ACN Opportunity, LLC 2012\_US\_Policies & Procedures\_RP\_W\_010112

# ACN POLICIES AND PROCEDURES

ACN Policies and Procedures governing U.S. Independent Representatives are outlined below. Take time to read the entire document to fully understand the Policies and Procedures. These Policies and Procedures are incorporated by reference in the ACN Independent Representative Agreement. In the case of any conflict between these Policies and Procedures and the Independent Representative Agreement, the Independent Representative Agreement shall prevail. ACN reserves the right to change these Policies and Procedures at any time.

## ACN Statement of Operating Philosophy

The Founders of ACN Opportunity, LLC (ACN) believe in leadership by example rather than management by directive. ACN's leadership has demonstrated a high degree of integrity and success at both sales and corporate levels. As such, they are committed to the following principles and standards as an expansion of their creed. For purposes of these Policies and Procedures, ACN Opportunity, LLC, its parent, subsidiaries and affiliates shall be referred to as "ACN."

## Commitment to Excellence

The ACN corporate management team is committed to supporting its customers and Independent Representatives, to giving them quality service and to calculating and mailing reports and commission payments in a timely manner. ACN has set these goals to give each Independent Representative the best opportunity to develop a successful business. ACN will not exclude anyone from this great opportunity based on race, age, sex, national origin, religion, disability or any other similar grounds prescribed or otherwise prohibited by law.

## I. Independent Representative Rights and Obligations

### A. Ethics

ACN conducts business in an ethical and credible manner and requires its representatives to deal ethically with their customers, with each other and with the company. ACN permits no unethical or illegal activity and will intercede when such behavior may exist, and ACN reserves the right to use its best judgment in deciding whether certain representative activities are unethical. Furthermore, ACN may use its own discretion in determining the appropriate course of action. If ACN determines that unethical activities may exist, then it reserves the right to suspend or terminate Independent Representative status, including but not limited to all commissions and payments of any kind. Under no circumstances would an Independent Representative who is terminated for unethical or illegal activity be entitled to a refund of their original application fee, nor are they entitled to sell or transfer their position.

### EXAMPLES OF UNETHICAL OR ILLEGAL ACTIVITY INCLUDE, BUT ARE NOT LIMITED TO:

1. Forging a signature on any document. This includes electronic signatures on any ACN customer portal, as well as on online representative agreements.
2. Making false or misleading representations of any kind including, but not limited to, misrepresentations about ACN services or the ACN Compensation Plan.
3. Depositing checks made payable to ACN into personal accounts instead of immediately forwarding them to ACN.
4. Cross-line recruiting: An ACN Independent Representative may not solicit an individual or entity that has been previously sponsored by another Independent Representative or that is

considering joining ACN and being sponsored by another Independent Representative. For example, potential representatives sent to an Opportunity Presentation by another active representative cannot be recruited. During the term of their agreement and for a period of one (1) year after their Agreement has expired or terminated, ACN Independent Representatives are further prohibited from directly or indirectly soliciting an existing or pending Independent Representative into a sales organization in which he/she is not currently a member.

ACN Independent Representatives may not solicit an ACN Independent Representative, whether active, inactive, individual or an entity, to participate in a network marketing program offered by any other company, regardless of whether or not such network marketing company offers telecommunications services or other services competitive to those offered by ACN. During the term of their agreement and for a period of 1 year after, ACN Independent Representatives are further prohibited from directly or indirectly soliciting an existing or pending Independent Representative into a sales organization in which he/she is not currently a member.

5. Spreading false or misleading remarks or rumors with malicious intent that may disparage ACN, ACN employees, or another ACN Independent Representative.
6. Any unauthorized use of ACN's name, trademarks or copyrighted material (i.e. reproducing ACN's forms, business cards, etc.).
7. Violation of any federal, state or local laws or regulations.
8. Stacking is strictly prohibited. Customer stacking is when you acquire customers and place them under a downline Independent Representative other than yourself.
9. ACN Representatives are prohibited from calling ACN and representing themselves as a customer for any products other than their own.
10. A representative's upline or sponsor should not complete any agreement or purchase any ACN tools on behalf of the representative.

### B. Acquiring Customers and ACN's Anti-Slamming Policy

A "slam" is defined as any practice that changes a customer's telecommunications service without the customer's knowledge or consent.

The Federal Communications Commission (FCC), Federal Trade Commission (FTC), State Attorneys General and other governing regulatory agencies have rules that strictly prohibit slamming. Slamming rules are enforced through a variety of methods, including fines and revocation of the offending company's authority to provide service.

### ACN HAS ADOPTED A ZERO TOLERANCE POLICY TOWARD SLAMMING.

An ACN Independent Representative is encouraged to act quickly and respond within the required timeframe to any request ACN may make and this situation should be their number one priority until it is resolved. If an ACN Independent Representative receives a letter notifying them that a slam investigation is currently underway for one of their customers, ACN will give details of the customer allegation, and which service is being disputed, plus guidance where to address questions or concerns. It is essential that the representative and the customer review where the misunderstanding was and detail all information within the "Investigation Report", included in the investigation letter. If the customer agrees to the information included in the investigation report, the customer's signature must be notarized. ACN

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will then respond with a decision regarding the investigation, which decision shall be final.

If any ACN Independent Representative has been engaged in the slamming of a customer, the following penalties will be assessed:

- The Independent Representative's position will be permanently terminated and all Customer Acquisitions Bonuses (CABs), Team CABs, commissions and payouts of any kind will be permanently forfeited.
- If the "slammed" account was used for qualifications for CABs, Team CABs or any other bonus, then such bonus will be reversed. This reversal will also apply to any corresponding payouts as well.
- Any Independent Representative engaged in slamming will be required to reimburse ACN for any fines or charges assessed against it. In addition, an administrative fee in accordance with expenses incurred by ACN will be charged to the Independent Representative.

ACN Independent Representatives are prohibited from third party solicitation by telemarketing, direct mail, sweepstakes, contests and drawings. ACN only authorizes sales by means of direct, personal solicitation of customers.

Independent Representatives can avoid slamming by utilizing the following procedures:

- Verify information against each new customer's actual bill for each Letter of Authorization (LOA). This will help you to confirm that the customer's information on the LOA matches the information on the customer's telephone bill.
- Verify that the person signing the LOA is the person with authority to act on behalf of the company or the person whose name appears on the telephone bill. It is essential that the person signing the LOA has authority to change telecommunication providers.
- NEVER sign someone else's name on any document. Representatives are strictly prohibited from signing an LOA for a customer even if the customer has provided their verbal consent.

To avoid instances of slamming, ACN may examine each LOA before it is entered into the system. Any form that contains any invalid information (i.e., phone number), is incomplete, or with an apparently invalid, omitted or forged signature will not be processed.

Representatives are prohibited from entering the name or Team ID Number of another Independent Representative, which is considered customer stacking, or signing LOAs in the name of another representative. In addition, representatives are prohibited from completing an order (LOA, online, etc.) on behalf of their customers. All customer orders must be completed by the customers. Representatives are responsible for the validity of the orders of all customers that appear on their Personal Customer List. Therefore, representatives are encouraged to routinely review their customer lists to ensure that only customers that they have personally enrolled are appearing on the customer list. If a representative finds that a customer appears on their customer list that they have not personally enrolled, they must contact Representative Services immediately. See Section VII, "Customer Qualifications" for further information.

ACN will vigorously enforce its zero tolerance policy against slamming and other egregious violations of ACN's Policies and Procedures or any federal or state rules or regulations. If any individual is discovered to have forged a customer's or representative's signature, the offending Independent Representative will be terminated immediately. This policy will apply in the first instance of any forgery or egregious violation.

In addition, if in ACN's sole discretion, ACN determines that an Independent Representative is involved in submitting improper orders (other than forgeries or other egregious violations), ACN will issue a warning to the Independent Representative and require the Independent Representative to report back detailing the remedial actions it took to correct the problem. ACN will review each matter and will determine what disciplinary action is warranted, up to and including termination of the Independent Representative.

#### C. Offerings/Terms of Service

ACN and its partner/carrier/supplier/service provider(s) have the sole right to accept or reject orders for products and services, to establish and change without notice, the prices of such products and services as well as to establish the terms and conditions of their offering. ACN and its partner/carrier/supplier/service provider(s) may also discontinue offering or selling any product or service, without liability or obligation to ACN, its Independent Representatives or its customers. Independent Representatives may only offer and sell services and products in accordance with rates, terms and conditions established by ACN, any regulatory agency or its partner/carrier/supplier/service provider(s). All sales representations and activities must be in full compliance with all applicable laws and regulations. Independent Representatives may only use those means of marketing and selling of services and products that are solely acceptable to ACN and its partner/carrier/supplier/service provider(s).

#### D. Co-Mingling of Funds

Independent Representatives must make their application fees payable to ACN only. No Independent Representative shall accept funds for applications and co-mingle them with personal or association accounts. ACN may terminate any Independent Representative discovered co-mingling funds or operating a bank account in the name of ACN or any other similar name.

#### E. Personal Usage/Purchases

An Independent Representative is not required to subscribe to or purchase any product or service marketed by ACN. Advancement to higher levels in the ACN Compensation Plan is based upon the acquisition of customers. However, if an Independent Representative chooses to purchase any products or services offered by ACN, he/she will be responsible for all billing when due. If an Independent Representative becomes past due on any bill, for services or products provided by ACN or a company with which ACN contracts, ACN may deduct amounts owed from future CAB or commission payments. ACN reserves the right to terminate an Independent Representative that is repeatedly past due in the payment of any service or product.

#### F. Unauthorized Contact

Under no circumstances, is an Independent Representative permitted to directly contact any partner/carrier/supplier/service provider(s) with whom ACN contracts, unless it is in specific relation to a personal account they may currently have with said provider.

In the event that your customer is experiencing difficulties with a specific provider, please inform your customer to contact ACN directly or the appropriate provider of service to resolve the matter.

#### G. Territorial Rights/Conducting Business Across Borders

Team Trainers can market services and products and sponsor new Independent Representatives in any country where ACN conducts business, without exclusivity. Team Trainers may only promote ACN in countries where ACN currently operates.

Independent Representatives conducting business in foreign countries must adhere to the ACN Policies and Procedures governing activities in that country. Furthermore, compensation will be based on the Compensation Plan of that specific country and be subject to conversion to U.S. funds.

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Independent Representatives are responsible for knowing and adhering to all laws and accepted business practices in the countries they choose to market. This includes but is not limited to Customs and Immigration Laws and accepted marketing practices.

#### H. Further Limitations

ACN reserves the right to limit or disallow any activities that cast negative aspersions on the integrity, truthfulness, and/or reputation of ACN.

## II. Status as an Independent Contractor

### A. Claims of Employment

Independent Representatives are independent contractors and not employees of ACN. The position of Independent Representative shall not be construed as creating a relationship of employee-employer, agency, partnership or joint venture between any participant, sponsor and ACN. It is impermissible to assert or imply that an Independent Representative or prospective Independent Representative is or will be employed by ACN.

### B. Binding Arbitration

In the event a dispute shall arise between an Independent Representative and ACN as to the Independent Representative Agreement and/or the Policies and Procedures such disputes shall be resolved through binding arbitration before the American Arbitration Association pursuant to the Commercial Rules of Arbitration. The arbitration shall be held in Charlotte, North Carolina, before a panel of three arbitrators, each side choosing one and then the two choosing the third. All claims hereunder must be brought within two (2) years of the date on which the facts or circumstances giving rise to the claim are alleged to have happened. Law of the state of New York will apply to the resolution of the dispute unless otherwise agreed in writing. The award of the arbitrator shall be final and may be entered in any court of competent jurisdiction. This provision shall not restrict ACN from seeking preliminary or permanent injunctive relief in any court of competent jurisdiction.

### C. Contractual Obligations

All Independent Representatives are responsible for any expenses which result from their business operation. Miscellaneous expenses include, but are not limited to, license or permits required to operate a business, legal fees connected with the use of a business name, telephone expenses, product advertising, etc. Independent Representatives shall not involve ACN in any contractual relationships relative to their businesses. Independent Representatives cannot and shall not sign contracts, rent or lease office space or equipment, open bank accounts, secure credit, cash negotiable instruments, make purchases or enter into agreements of any kind in the name of ACN. Such action is prohibited and cause for termination of Independent Representative status. Each Independent Representative shall hold ACN, its shareholders, partners, members, directors, officers and employees harmless from any claims, damages or liabilities arising out of such action.

### D. Reporting Taxes

Independent Representatives are not considered employees for purposes of the Social Security Act, the Federal Unemployment Tax Act, Federal Income Tax laws or any other laws governing employees. It is the Independent Representative's responsibility to make self-employment and income tax payments as required by law. As such, ACN does not deduct any taxes from any commission and/or CAB payments. ACN will send a Form 1099 to all applicable Independent Representatives who earn \$600 or more in a tax year.

It is the Independent Representative's responsibility to provide ACN with the proper Social Security Number or Taxpayer Identification Number. If the information that is provided is incorrect or if the

Internal Revenue Service notifies ACN that the information does not match their records then ACN will hold all future payments until the matter is resolved.

## III. Business and Legal Entities as an Independent Representative

### A. Companies

A sole proprietorship, partnership, Limited Liability Company (LLC) or corporation may become an Independent Representative subject to review and approval by ACN. However, no individual may participate in more than one representative position without the prior written approval of ACN.

For the company to become a new Independent Representative, or to change their current representative status to a company, ACN must be notified in writing. Written notice is also required when changing an existing individual's representative status to a company.

The following items are needed to apply for an ACN Independent Representative status as a company:

1. The name of the company
2. The company's Taxpayer Identification Number
3. A list of all partners/shareholders/members with more than 5% ownership – the document MUST include the Social Security Number for each person listed
4. A completed Independent Representative Agreement, signed by an individual authorized to enter into binding agreements on behalf of the business entity

Individuals who submit the Independent Representative agreement must be authorized to enter into binding contracts on behalf of the company.

### B. Trusts

An Independent Representative can operate their representative status in the name of a trust. The person(s) that is (are) responsible for operating the business of the trust must be of legal age and cannot be another Independent Representative or have an ownership interest in another Independent Representative status.

To become a new Independent Representative as a trust or to change an existing representative status to a trust, ACN requires written notification and a new Independent Representative agreement.

The following items are needed to apply for an ACN representative status as a trust:

1. A legal document displaying the name of the trust and a legal opinion from an attorney stating that the trust is in compliance with all state and federal laws
2. A document that provides proof of the trust's Taxpayer Identification Number
3. A document that lists all trustees including the Social Security Number for each person listed. For a Grantor Trust, a document that provides the Social Security Number of the Grantor.
4. A completed Independent Representative Agreement, signed by an individual authorized to enter into binding agreements on behalf of the trust

The person who submits the written notification must be authorized to enter into binding contracts on behalf of the trust.

It is the Independent Representative's responsibility to insure that ACN has received all the required documentation to list the representative status as a company or trust. If ACN has not received the appropriate documentation within 30 days, then ACN will suspend

the Independent Representative position until all of the documentation is received and processed by ACN. In addition, any commissions or CABs earned during the suspension period will be held until the matter is resolved.

### C. Marriage

A husband and wife may operate under the same representative position or independently. If the husband and wife choose to operate independently, then one spouse must be sponsored by the other. ACN reserves the right to ensure that husband and wife distributorships independently operated are correctly sponsored and make any necessary corrections. Spouses that choose to operate the same position will be treated as partners.

### D. Specifications for Independent Representative Names

ACN reserves the right to approve or disapprove any representative's choice of business names, formation of partnerships, corporations and trusts, for tax, estate planning and liability purposes. If ACN approves such a change by the representative, the organization's name and the names of the principals of the organization must appear on the Independent Representative Agreement along with a Social Security Number or Federal Tax Identification Number.

Any request for a change in the name or a change in the Social Security Number or Tax Identification Number of the Independent Representative status is subject to a written agreement, signed by all parties involved, submitted to and approved by ACN. ACN reserves the right to verify all authorizations prior to making changes. In the absence of any agreement or notification, ACN will only recognize the individual whose Social Security Number was originally listed on the Independent Representative Agreement. Please note that ACN will only continue to service the Independent Representative who remains listed in our computer system. ACN reserves the right to intercede in disputes, and if it is determined that unethical activity exists, the status may be suspended and/or terminated.

## IV. Identification Numbers

All representatives will be assigned a unique number that identifies them as a representative of ACN. This number is referred to as their Team ID Number. It is the representative's responsibility to provide this number on all LOAs and on the Independent Representative Agreement when sponsoring a new Independent Representative.

## V. Sponsoring New Representatives

### A. Independent Representative Agreements

New Independent Representatives must complete and sign an Independent Representative Agreement or complete the new representative sign up process on the ACN website at acninc.com. Only the new representative can complete the online Independent Representative Agreement. It cannot be completed by the sponsor or upline on behalf of the new representative. Application fees can be paid by Visa, MasterCard, American Express, Discover, check or money order. (Please note that ACN may assess a fee for any credit card payments that result in a charge back.) ACN does not accept postdated or third-party checks. The new Independent Representative or the sponsor can mail or fax the white copy of the Independent Representative Agreement to ACN for processing. If the application fee is being paid by check, the white copy of the Independent Representative Agreement must be mailed to ACN. The start date of an Independent Representative is the date that their completed Independent Representative Agreement is entered and payment is received or the date their first customer is entered. ACN assesses a fee for all returned checks. ACN reserves the right to refuse entry of an Independent Representative Agreement without payment and to adjust the start date accordingly.

### B. Representation

Independent Representatives shall make no claim or inference to prospective Independent Representatives as to the anticipated or actual income an Independent Representative might earn. ACN makes no guarantees of income, nor assurances of any profits or success. Furthermore, any profits or success resulting from activities as an Independent Representative will be based upon customer acquisition and the amount of services or products purchased by those customers. Any success achieved will be based solely upon the Independent Representative's effort, commitment and skills.

Each Independent Representative understands that no Attorney General of any state, territory or other regulatory authorities ever reviews, endorses or otherwise approves any product membership or compensation program of any marketing company. As such, each Independent Representative shall make no such claim to a prospective ACN Independent Representative. In the event that a question arises concerning ACN's compliance with the law, such question shall be submitted to ACN in writing. ACN Independent Representatives shall make no false claims or misleading statements concerning these relationships and understand that if they do, their relationship with ACN may be terminated and all commissions and bonuses forfeited.

Independent Representatives agree to indemnify and hold ACN and its shareholders, partners, members, directors, officers and employees harmless from all claims, damages and expenses, including attorneys' fees arising out of actions or conduct in violation of the Agreement.

### C. Independent Representative Disputes

ACN may or may not mediate any disputes between two or more Independent Representatives if requested to do so by all of the parties involved in the dispute. ACN, however, reserves the right to review sponsoring practices. If ACN agrees to mediate any dispute, its findings shall be binding on all parties involved in the dispute.

### D. Changing Sponsorship

ACN believes in and maintains the maximum protection of the Independent Representative's relationship with his or her sponsor. Therefore, changing sponsors is strictly prohibited. It is the responsibility of the Independent Representative to ensure the sponsor information submitted on the Independent Representative Agreement is accurate and complete.

An Independent Representative may join ACN under a new sponsor only after a period of no less than one full calendar year from the date of resignation or no less than one full calendar year after an Independent Representative fails to renew or cancels their distributorship. All resignations must be in writing and delivered to ACN.

ACN reserves the right to change sponsorship if it is found that unethical or misleading practices were used.

## VI. Maintaining/Changing the Status of Your Business

### A. Selling Your Independent Representative Position

To protect the integrity of the business opportunity, ACN restricts the sale of Independent Representative positions. All requests for the sale of an Independent Representative position must be reviewed and approved by ACN. For permission to sell your Independent Representative position, forward a letter of intention to ACN, indicating your wish to sell. ACN will send all needed documentation to the seller for completion, before the process can begin. For more information, please contact Representative Services. ACN reserves the right to withhold or condition its consent to the sale of an Independent Representative position in its reasonable discretion.

The Independent Representative position WILL NOT be considered SOLD until the sale is approved by ACN. Therefore, DO NOT accept

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any funds from the potential buyer until the sale has been approved and finalized. ACN charges a \$1,000 fee to process any approved sale. Do not send the \$1,000 fee until ACN has approved the sale. Companies or partnerships that have a change of ownership greater than twenty percent (20%) must notify ACN of such change in ownership. The new owners/stockholders must comply with the terms of the independent representative agreement and these Policies and Procedures. If there is a change in ownership of 50% or greater then the rules regarding the sale of an Independent Representative position apply, including the \$1,000 transfer fee.

#### **B. Transfer/Disposition of Independent Representative Business**

Upon the death or incapacity of an Independent Representative, or of its principals, the rights to the commission and marketing position shall pass to the designated successor, provided said successor complies with all the terms of the ACN agreement, ACN's Policies and Procedures and fulfills the duties and obligations required of an Independent Representative. In the case of a transfer to an existing Independent Representative, or to an individual listed as a partner/shareholder/trustee in an existing Independent Representative status, the individual will need to contact ACN to discuss his/her options in either maintaining the status or transferring it. If the transfer is of a temporary nature (i.e. the Independent Representative is temporarily incapacitated), the subsequent activation and deactivation will likewise be temporary.

#### **C. Change of Independent Representative Information**

Independent Representatives must report any change of address, telephone number or email address online in MyACN for Representatives, by sending written notification to ACN World Headquarters, or by calling Representative Services.

### **VII. Commissions**

#### **A. Reports**

Hierarchy Reports and other reports are available for a fee from the ACN website (acninc.com). Personal Customer Lists are available free of charge in the Communication Center on MyACN. The Independent Representative acknowledges and agrees such information is proprietary and confidential to ACN and is transmitted to the Independent Representative in strict confidence. The information provided may not be distributed to any other individual or company. But for this agreement of confidentiality, ACN would not provide the above information.

#### **B. Eligibility for Compensation**

In order to receive compensation, representatives must maintain a minimum number of phone points per ACN's Compensation Plan.

#### **C. Customer Acquisition Bonuses (CABs)**

Customer Acquisition Bonuses are weekly bonuses paid to Independent Representatives who have qualified for the level of Team Coordinator or higher and who have assisted their newly sponsored Team Trainer to become qualified by acquiring the minimum number of personal customer points within the required time.

CABs are processed each weekend and released on Mondays. All documentation necessary for CAB qualifications must be received and processed by ACN by 2 pm Eastern Time on Wednesday for a CAB payment to be issued that week. Please refer to the ACN website for the specific deadlines for submitting LOAs, Independent Representative Agreements, etc.

Customer Acquisition Bonuses are paid to Independent Representatives at the level of Team Coordinator or higher who meet the minimum qualifications of the level, as shown on the Compensation Plan at the time the new Independent Representative Agreement is received and processed by ACN. Once the new representative meets

the TT qualifications by acquiring the minimum number of personal phone points within the required time, then the CAB will be distributed to appropriate eligible upline representatives. CABs, T-CABs and bonuses will be paid after 14 days following a new Team Trainer's start date once they qualify.

A representative's start date is determined by the date of payment of their TT application fee or the date their first customer is entered.

#### **D. Commissions**

Commissions are paid monthly to all levels in the ACN Compensation Plan. Commissions are calculated based on the commissionable revenue on services and products used by your customers and the customers in your organization, according to the Compensation Plan for the country in which the services are provided. Commissionable revenue is billed revenue less taxes, non revenue surcharges and an allowance for bad debt (Refer to section VII E. "Commissions – Reversal of CABs or Commissions"). ACN reserves the right to reduce commissionable revenue by a percentage factor for promotional plans, products, negotiated pricing or certain services.

Commissions are released on the first business day following the third Friday of each month. Commissions are paid the third month after the close of the month the customer is billed. Thus, if an ACN customer is billed for services in April, commissions will be paid on that customer's usage in July. The commission qualifications listed on the Compensation Plan are minimum qualifications. ACN recommends that Independent Representatives exceed the minimum qualifications in order to ensure that they remain fully qualified in the event that one or more customer cancels service.

All customers submitted for your commission qualifications must be received and processed by ACN by 2 pm Eastern Time on the first Friday of the month. Representatives must allow up to three business days for dial-up Internet customers to be received by ACN and count toward position or commission qualifications.

A Payment Processing Fee will be deducted from each CAB and commission payment to cover processing costs relating to the issuance of the payment and the statement. A payment will not be issued until the total amount (less the Payment Processing Fee) is greater than \$10. The Independent Representative will also be responsible for a \$10 Re-issue Fee anytime a payment is returned to ACN and requested to be re-issued. If a stop payment must be placed and a new payment re-issued, the Independent Representative will be responsible for a \$25 Stop Payment Fee. The Independent Representative will also be responsible for a \$30 Administrative Fee (for each payment) if their payment(s) remains un-cashed for more than 120 days.

#### **E. Reversal of CABs or Commissions**

ACN reserves the right to retract the payment of any CAB or commission if it is found that a customer used to qualify for a CAB or a certain commission level was not a valid billing customer. There will be an automatic reversal of all bonuses, CABs and T-CABs paid if a qualifying Digital Phone Service customer cancels within 90 days.

#### **F. Adjustments for Bad Debt**

ACN reserves the right to adjust commission payments for bad debt. The bad debt deducted may be based on the overall bad debt average and/or specific deductions on an account by account basis or a combination thereof.

If a representative is found to be targeting customers whose service was previously cancelled by another carrier for nonpayment, or targeting those customers who knowingly have credit problems, that Independent Representative's status may be suspended and/or terminated. In addition, the Independent Representative may be held liable for any unpaid debts.

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### G. Customer Qualifications

CABs, commissions and the advancement to earned levels in the Compensation Plan are based on the acquisition of active, billing customers. Each LOA and internet service order must contain the name and/or Team ID Number of the Independent Representative that acquired the customer. Representatives are prohibited from entering the name or Team ID Number of another Independent Representative or signing LOAs in the name of another representative. Representatives are responsible for the validity of the orders of all customers that appear on their Personal Customer List. Therefore, representatives are encouraged to routinely review their customer lists to ensure that only customers that they have personally enrolled are appearing on the customer list. If a representative finds that a customer appears on their customer list that they have not personally enrolled, they must contact Representative Services immediately.

Establishing customer accounts for the purposes of qualifications when the customer does not intend to use the service or when the customer is not aware that such an account has been established is unethical and is subject to disciplinary action up to and including deactivation. ACN reserves the right to remove these customers from the representative's position if unethical activities occurred and during any review.

Customers who cancel service with ACN and those who do not use the service for a period of months will no longer count as active customers for qualification purposes. This process is known as "purging." The Personal Customer List will display all customers that are scheduled to purge and the date that the customer will be purged so that the Independent Representative can either contact that customer or acquire new customers in order to avoid losing qualifications. If a customer who is scheduled to be purged, or has been purged, begins to use the service again, the Independent Representative who acquired the customer will automatically receive credit for that customer.

A customer for purposes of Local, Long Distance, Wireless Service, Satellite TV, Home Security, Energy and WiMAX is defined as an account. Multiple phone numbers on one account (invoice) are for qualification purposes considered one customer. Each Internet account or Digital Phone Service account is considered to be a customer for qualification purposes. For the purposes of qualification, a preferred customer is one of the following accounts; bundled Local and Long Distance, Digital Phone service with Video Phone, new Wireless accounts, Satellite TV and Home Security. Preferred customers must be either different services or the same service from different households.

There is a limit of 2 Digital Phone Service Accounts with an ATA from the same credit card, name, or household that may count towards qualifications. Any additional accounts will not count towards qualifications but commissions will be paid on these accounts. Representatives are prohibited from purchasing internet service for a customer, or signing up for any service for one of their downline representatives.

This document is to be used in conjunction with the latest Compensation Plan documentation available on MyACN for Representatives in order to receive the latest adjustments pertaining to qualification.

A customer account cannot count toward qualifications for more than one position and cannot be moved from one Independent Representative to another unless that customer account has been purged. Existing ACN customers who also become an ACN Independent Representative can claim their own services from an existing ACN Independent Representative's position 45 calendar days from the new representative's start date.

### VIII. Compliance

These Policies and Procedures were created as a guideline for ACN and all Independent Representatives and serve to protect the rights of both parties. These Policies and Procedures are intended to ensure proper functioning of daily business operations. ACN reserves the right to amend the Policies and Procedures from time to time as ACN deems necessary. Any Independent Representative who violates any provision of the Independent Representative Agreement, which includes all Policies and Procedures itemized herein, may be terminated by ACN. Termination cancels any and all rights, and will be effective upon verification of said violation(s) and notification of the offending Independent Representative by ACN. In the event a dispute arises between ACN and an Independent Representative as to their respective rights, duties and obligations under this agreement, or in the event of a claim of breach of this agreement by either party, such dispute shall be exclusively resolved through binding arbitration as described in the Independent Representative Agreement. Under no circumstance would an Independent Representative who is terminated for unethical activity be entitled to the refund of their original application fee or be allowed to transfer their customers or their Independent Representative position to another party.

### IX. Confidentiality and Noninterference, Nondisclosure of Proprietary Information

During the term of the relationship with ACN, the Independent Representative may receive information or data constituting a trade secret or confidential information of ACN and/or its partner/carrier/supplier/service provider(s) in which event, the Independent Representative shall treat such trade secret or confidential information as strictly confidential and wholly owned by ACN, as applicable. No Independent Representative may, for any reason, nor in any manner, directly or indirectly use, sell, lend, lease, distribute, license, give, transfer, disclose, disseminate, reproduce or otherwise communicate any such item of information or data to any person or entity for any purpose other than as authorized by ACN in writing. The definition of "confidential information" shall mean proprietary and confidential data or information of ACN or its partner/carrier/supplier/service provider(s) which is not publicly known or available to the competitors of ACN or its partner/carrier/supplier/service provider(s). "Confidential information" also includes without limitation, information regarding ACN or its partner/carrier/supplier/service provider(s), Independent Representatives, customers or prospective customers, marketing methods, business and technical plans, product information and pricing. The definition of "confidential information" includes "trade secrets" which shall mean that portion of confidential information which constitutes trade secrets as defined by applicable law and including, without limitation, confidential computer programs, software, designs, processes, procedures, formulas and improvements, whether copyrightable or not.

Independent Representatives must use their best efforts to preserve all confidential information until it becomes generally available to the public or ACN agrees in writing that such information may be disclosed or is otherwise no longer deemed to be confidential.

During the term of the Independent Representative Agreement, representatives may not, directly or indirectly, sell or solicit telecommunications services, or Internet services offered by ACN through any person or entity other than that specifically designated or approved in writing by ACN. Independent Representatives shall not, during their relationship with ACN and for a period of one year thereafter, directly or indirectly, divert, entice, knowingly call upon, sell or solicit, take away or move any customer of ACN or its partner/carrier/supplier/service provider(s), whether or not the Independent Representative originally procured or brought such customer to ACN's partner/carrier/supplier/service provider(s) (such activities are collectively referred to herein as "solicitation"). All customers solicited by Inde-

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pendent Representatives on behalf of ACN or its partner/carrier/supplier/service provider(s) are deemed to be customers of ACN or its partner/carrier/supplier/service provider(s) and not of its Independent Representatives. Independent Representatives understand that such prohibition of nonsolicitation shall be strictly enforced and that ACN or its partner/carrier/supplier/service provider(s) shall be a third party beneficiary of this prohibition as well as any proprietary and confidential information provided to ACN which in turn is received by the Independent Representative. Further, during the term of the Independent Representative Agreement and for a period of one year thereafter, Independent Representative may not enter into a direct marketing relationship with any partner/carrier/supplier/service provider(s) of ACN. Violation of this covenant and condition will result in forfeiture of all Independent Representative rights, including all current and future commissions, bonuses and payments of any kind.

On a periodic basis, ACN will supply data processing information and reports to the Independent Representative, which will provide information to the Representative concerning the representative's organization, product purchases and product mix. Independent Representatives agree that such information is proprietary and confidential to ACN and is transmitted to the representative in confidence. The representative agrees that he or she will not disclose such information, directly or indirectly, to any third party nor use the information to compete with ACN in any manner. The representative and ACN agree that, but for this agreement of confidentiality and nondisclosure, ACN would not provide the above confidential information to the representative.

## X. Privacy Policy

### A. Personal Information

ACN is committed to protecting the privacy of our Independent Representatives' and customers' personal information. "Personal Information" means any information about an identifiable individual, other than business contact information. We protect personal information by maintaining strict physical, electronic, and procedural safeguards that meet or exceed applicable Federal laws and regulations. Unauthorized access to or disclosure of personal information, including account information, or personal identification number, is a violation of ACN's Privacy Policy, and is strictly prohibited.

(a) The Independent Representative acknowledges that, in the course of the performance of this Agreement, (s)he will be provided with and have access to Personal Information and that such Personal Information is confidential. The Independent Representative agrees that such Personal Information will be collected, used and disclosed only for the purposes for which it was collected and only in relation to the provision of ACN's services or products or this Agreement, that (s)he will safeguard such Personal Information by appropriate organizational, physical and technological means ("Safeguard Obligations") and not, other than as required in relation to the provision of ACN's services or products, disclose, transfer, sell, assign, publish or otherwise make available any Personal Information for his/her own use or the use of any other person or entity except where disclosure may be required to comply with a subpoena, warrant, or court order, or if requested by a government institution which has the lawful authority to obtain the Personal Information, or if otherwise required by law;

(b) Upon reasonable request, the Independent Representative shall provide ACN access to, and the right to inspect, any or all Personal Information collected, used or disclosed by the Independent Representative during the course of the Agreement;

(c) The Independent Representative shall, at the prior written request of ACN, promptly return any Personal Information and all copies thereof in any form whatsoever under the power or control of the

Independent Representative to ACN, and delete the Personal Information from all retrieval systems and databases or destroy same as directed by ACN and furnish to ACN a certificate by an officer of the Independent Representative of such deletion or destruction;

(d) The Independent Representative agrees to co-operate with ACN in any regulatory investigation or in any internal investigation regarding any alleged privacy breach or complaint.

(e) In order to ensure the special integrity of Independent Representatives' personal information, and to protect Independent Representatives positions from unauthorized access, ACN asks that all representatives adhere to the following procedures:

- Only new representatives shall complete and sign and Independent Representative Agreement, or complete the representative sign-up process on the ACN website at acninc.com.
- Only new representatives shall complete the online Independent Representative Agreement.
- A representative's upline or sponsor should not complete any agreement on behalf of the representative, or obtain account information, including position numbers and passwords.
- Representative account information and passwords should not be accessed by, or provided to anyone but the Independent Representative whose name appears on the Independent Representative Agreement.

### B. Indemnification

The Independent Representative agrees to defend, indemnify and hold ACN harmless from any claims and actions against ACN relating to the Independent Representative's violation of any state or federal privacy acts relating to the collection, use or disclosure of Personal Information. The Independent Representative also agrees to defend, indemnify and hold ACN harmless from any claims and actions against ACN relating to any marketing or promotions developed for ACN by the Independent Representative, when the Independent Representative was indemnified by a third party which did not also indemnify ACN.

### C. Termination

In the event of a material breach by either party of any applicable privacy laws or provisions in this Agreement relating to such laws, the non-breaching party may terminate the Agreement, by written notice to the breaching party, 30 days after first delivering notice of such breach and the failure to cure such breach within the 30 days.

### Amendments

In order to sustain a viable marketing company, ACN specifically reserves the right to make any amendments or adjustments it deems necessary with respect to products and services offered, its Policies and Procedures, the marketing and Compensation Plan and/or pricing. Upon notification through ACN's website, any such changes are incorporated as part of this agreement between ACN and its Independent Representatives.

### Summary

*We are offering a program that will prove to be financially beneficial for those with the motivation to achieve. It offers the freedom to design personal goals, an opportunity to develop long-term stability, and a relationship of respect with our company. The relationship between ACN and its Independent Representatives is that of a team, based on mutual trust, respect and integrity. By assisting our Independent Representatives in achieving their goals and dreams, ACN strives to demonstrate the true meaning of a team. This is our commitment to you.*



# Appendix 1 - Marketing & Advertising Policy

North America, 2011



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**APPENDIX 1 – MARKETING AND ADVERTISING POLICY****I General Marketing and Advertising Policy**

ACN has developed a success system based on solid experience and knowledge. As such, we have created marketing materials, business tools and activities to fully support this model. No other marketing materials or activities are necessary to become successful as an ACN Independent Representative. Therefore, ACN strongly discourages our Independent Representatives from creating and/or distributing any marketing materials. Marketing materials for the purpose of this policy is not limited to printed material, but also includes website and online content, appearances and media representation.

Independent Representatives must obtain prior written approval from ACN for any materials created for their ACN business. Representatives must complete the Request Form available on MyACN for Representatives and send it attention to ACN Supplemental Advertising via one of the methods available on the request form. Any written approval given by ACN will only be for the material submitted and reviewed. Any additional material will need to be re-submitted for approval. All changes to personal marketing material requested by ACN must be made. If not, the representative will be found to be non-compliant with ACN's Policies and Procedures, and further action will be taken up to and including deactivation.

All approval for representative marketing and advertising remains at the sole discretion of ACN.

**II. Use of ACN's Identity**

In addition to our representatives and employees, ACN's identity is one of its most valuable assets and, therefore, must be protected at all times in order to maintain its integrity for all. As such, ACN Independent Representatives are strictly prohibited from representing themselves as having any other affiliation with ACN other than as an "ACN Independent Representative" at any time or in any manner.

Also, Independent Representatives are strictly prohibited from using ACN logos, names, trademarks, or other proprietary information belonging to ACN or its wholly owned subsidiaries, unless approved in writing by ACN. This includes, but is not limited to, website URLs, online content, marketing materials, photography, signage, etc. Only ACN and its wholly owned subsidiaries are authorized to use such logos, names, trademarks and other proprietary information. The production of any material containing logos, names, trademarks and other proprietary information of ACN is strictly prohibited without prior written authorization.

**III. Cold Marketing in Customer Acquisition and Recruiting**

ACN is a network marketing company that is focused solely on relationship, or "warm marketing" techniques. ACN strictly prohibits Independent Representatives from engaging in any "cold marketing" techniques for purposes of customer acquisition at any time. Cold marketing is defined as any promotional activity that is geared toward random individuals who have no personal, business, social or acquaintance relationship(s) with the promoter. Examples of cold marketing include, but are not limited to, mass advertising, purchased leads, trade show participation, door-to-door selling, telemarketing, pamphlet distribution, etc. ACN also strictly prohibits the purchase or sale of customers at any time.

Furthermore, ACN allows, yet highly discourages cold marketing techniques for purposes of recruiting other Independent Representa-

tives, as these can be costly, ineffective, and highly distracting to an Independent Representative's network marketing efforts. The use of telemarketing and "speed dial" (random or auto dialing) for recruiting purposes is strictly prohibited.

If an ACN Independent Representative disregards ACN's recommendation and uses cold marketing techniques in recruiting efforts only, then that representative is responsible for adhering to any applicable laws, limitations or regulations that govern such techniques, including the accuracy of all information presented. In addition, any materials, scripts, advertisements, literature, videos, audios, etc., used in conjunction with a cold marketing effort must strictly adhere to ACN's complete policy "Development and Use of Independent Marketing Materials".

ACN strictly prohibits the use of creating materials to be distributed to their cold market for the purpose of customer acquisition. Representatives are not permitted to utilize cold marketing for the purpose of customer acquisition. If a representative wishes to create material to be distributed via one of the cold marketing techniques listed above, they are required to lead with the Business Opportunity, and once contacted for information, may discuss more specifically the products and services; however the marketing or advertising material may not lead with customer acquisition.

**IV. Unauthorized Contact**

Under no circumstances, is an Independent Representative permitted to directly contact any partner/carrier/supplier/service provider(s) with whom ACN contracts, unless it is in specific relation to a personal account they may currently have with said provider.

Therefore it is strictly prohibited to recruit employees from a Wireless, Satellite TV, Home Security, Energy or WiMAX partner.

**V. Unauthorized Conduct and Behavior**

Representatives are not permitted to contact ACN partner/carrier/supplier/service provider(s) directly for information, questions or advertising material. Everything a representative needs can be found on MyACN for Representatives.

Representatives cannot approach Wireless, Satellite TV, Home Security, Energy or WiMAX partner/carrier/supplier/service provider(s) regarding the ACN Opportunity in an effort to recruit them as representatives.

Representatives cannot use any partner/carrier/supplier/service provider(s) name or logo on personal websites, including references to a provider's phone number.

Slamming is defined as any practice that changes a customer's telecommunications service without the customer's knowledge or consent.

The Federal Communications Commission (FCC), Federal Trade Commission (FTC), State Attorneys General and other governing regulatory agencies have rules that strictly prohibit slamming. Slamming rules are enforced through a variety of methods, including fines and revocation of the offending company's authority to provide service.

ACN HAS ADOPTED A ZERO TOLERANCE POLICY TOWARD SLAMMING.

Please refer to Section B of ACN's full Policies and Procedures document for complete details on Slamming.

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In addition, representatives are prohibited from completing an order—either through completing a paper LOA, or online through the ACN customer portal, on behalf of their customers. All customer orders must be completed by the customers. The representative may be present to guide the customer through the order process, but must not complete any order information for the customer.

## **VI. Development and Use of Independent Marketing Materials**

Marketing materials are defined as any printed, broadcast or on-line communications including, but not limited to, advertisements, brochures, videotapes, audiotapes, flyers, banners, flags, websites, telephone recordings, emails, presentation materials, apparel, building signage, etc.

ACN strictly prohibits representative-created marketing materials that 1) do not adhere to ACN's policy on use of logos, names, trademarks, and proprietary information, 2) make any specific references to ACN's products, plans, rates or any component of the Compensation Plan, 3) make any claims or guarantees related to savings, rates or pricing, either expressed or implied, 4) make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied, or 5) represent ACN as an employment opportunity, either expressed or implied unless approved in writing by ACN.

ACN will allow the distribution of representative-created marketing materials, that promote a presentation meeting, event or piquing interest conversation for purposes of recruiting only, provided that said materials: 1) are not sold, 2) only promote a presentation meeting, event or piquing interest conversation, 3) adhere to ACN's policy on use of logos, names, trademarks and proprietary information, 4) do not make any specific references to ACN's products, plans, rates or any component of the Compensation Plan, 5) do not make any claims or guarantees related to savings, rates or pricing, either expressed or implied, 6) do not make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied and 7) do not represent ACN as an employment opportunity, either expressed or implied.

### **A. Personal Websites, Blogs, Web Pages and Social Networking Sites**

ACN understands the increased use of online material, and that many representatives may wish to utilize these methods in running their ACN business.

There are extremely strict rules and regulations that these online websites and web pages must adhere to.

Please refer to section IX of this document for complete details.

### **B. Business Cards**

ACN Independent Representatives are able to order business cards through the Tools section of MyACN for Representatives. Only business cards ordered through ACN are authorized to include the logo, and other proprietary information belonging to ACN as they are produced by an approved third party vendor.

If an Independent Representative wishes to create their own business cards they are not permitted to use any logos, names, trademarks and other proprietary information pertaining to ACN. They may however, refer to themselves as an "ACN Independent Representative".

### **C. Earnings/Income Claims and Savings, or Rate Guarantees**

ACN, including its wholly owned subsidiaries, strictly prohibits ACN Independent Representatives from making any claims or guaran-

tees related to earnings/income, whether expressed or implied. This limitation extends to both written and verbal communications. Only company prepared and approved hypothetical earnings calculations are permitted to be used, and they may only be used for purposes of describing the Compensation Plan.

ACN Independent Representatives may not make any references to specific or numerical saving guarantees, whether expressed or implied, with respect to ACN's services, including long distance. For example, it is a policy violation to use verbiage such as "ACN can save you up to 30% on your long distance bills." An example of acceptable verbiage is "Most customers of the major long distance carriers will save on their monthly bills with ACN Long Distance service." This limitation extends to both written and verbal communications.

### **D. Use of Partner Information**

ACN's success relies heavily on its relationship with its partners/carriers and providers to provide our customers with great savings and value. As such, ACN only has permission to use carrier and provider proprietary information such as logos, names and trademarks on ACN created print and web material. Representatives are not permitted to use carrier and provider names and/or logos on any marketing or advertising material that they create. However, representatives are able to use wording to the effect of "top Wireless carriers" or "leading providers nationwide."

### **E. Representation of Donald J. Trump in Marketing and Advertising**

Independent Representatives are strictly prohibited from utilizing Donald J. Trump in any form on their personal marketing or advertising material. ACN has exclusive and limited permission to reference Donald J. Trump and use his image on ACN created material that has been approved by the Trump organization.

Representatives may use wording to the effect of "endorsed by a multi-billionaire", but are not permitted to refer to him directly in any printed or online material. Images and photos of Donald J. Trump at ACN events, with ACN Co-Founders etc. are not to appear on any online or print material created by Independent Representatives. ACN will use these images on material at their discretion.

### **F. Cash or Monetary Incentives**

ACN, including its wholly owned subsidiaries, strictly prohibits ACN Independent Representatives from offering cash or monetary incentives, promotions, prizes or bonuses to members of their downline or upline organizational members, or customers as a method of influencing customer acquisition.

To eliminate cross-line recruiting practices, ACN strictly prohibits the use of cash or monetary incentives/promotions/prizes/bonuses for purposes of recruiting new representatives.

ACN encourages its Independent Representatives to promote customer acquisition and recruiting by adhering to ACN's specific sales model.

### **G. Fundraising**

ACN strongly discourages marketing the ACN opportunity to non-profit organizations as a method of fundraising as these programs seldom work well within ACN's proven sales model. However, if introducing the ACN opportunity to a non-profit organization, Independent Representatives are responsible for advising the organization to discuss the tax implications of this type of business with a professional tax advisor.

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The non-profit organization must be made aware that laws vary and that some state attorneys general have guidelines that must be complied with. In addition, all state and federal non-profit fund raising laws must be complied with.

#### H. Recorded Messages

ACN Independent Representatives may not have a voicemail message or answer his or her telephone in a manner that would lead the caller to believe that they have reached any official or corporate office of ACN. When using the ACN name, representatives must say "ACN Independent Representative"

#### I. Promotion of other Businesses or Programs

ACN strictly prohibits the co-marketing of any other business, product, service, seminar or program in conjunction with the ACN opportunity. This limitation applies to all promotional activities including, but not limited to, marketing materials, events, presentations, verbal solicitations, etc. In addition, ACN strongly discourages the practice of using non-ACN speakers at any ACN-related event.

#### VII. Media Enquiries and Personal Appearances

On occasion, ACN Independent Representatives may be contacted by members of the media as a source or subject for a story. If this occurs Independent Representatives must immediately refer such inquiries directly to ACN's Marketing Department.

Independent Representatives are strictly prohibited from representing ACN in any public media arena, and from using uncompensated media forms including, but not limited to, news releases, articles, editorials, unpaid advertising, infomercials/advertorials, and television, cable or radio program appearances to promote or publicize ACN or its products, except as approved in writing by ACN.

Such requests must be submitted in writing to ACN's Marketing Department at least 30 days in advance of the media activity. This policy is necessary to ensure an accurate, legal and consistent public image for ACN and its Independent Representatives.

Representatives can go online to [acnpreskit.com](http://acnpreskit.com) for the latest media information released by ACN, or for more information.

All media representations and/or appearances remain at the sole discretion of ACN at all times.

#### VIII. Events

ACN supports the practice of Regional Training Events, "Super Saturdays," Business Opportunity Meetings and Private Business Receptions, as they are valuable educational tools when held properly with both professionalism and integrity. The true intent of such events is to provide further education on the ACN Opportunity and how to be successful within this business.

Under no circumstances are Regional events or any other type of meeting/training session intended to provide any additional income stream to those who are sponsoring the events, and must be offered as non-profit activities at all times. Under no circumstances are guests to be charged any form of admission to an event being hosted by an Independent Representative.

All Regionals and "Super Saturdays" should be submitted to ACN for approval in conjunction with the current terms of hosting Regionals/"Super Saturdays". Regionals/Super Saturdays that do not receive prior approval will be considered operating outside of ACN's training philosophy and will not be promoted or endorsed by the company in any manner.

Attendance at ACN events is not a requirement for being an Independent Representative, nor a prerequisite for success in this business.

#### IX. Internet Marketing and Advertising

ACN maintains a variety of official company websites and also offers all Independent Representatives the option to sign up for their own personal Distributor Website to help promote their business. ACN strongly believes that it provides its representatives with all the online tools in order for them to run a successful business, and therefore discourages the creation of any online marketing or advertising outside of what ACN already provides.

##### A. Personal ACN Distributor Websites

ACN offers its representatives with a monthly subscription to their personal Distributor website that is created, managed and updated by ACN and is the most effective, easiest way to establish an online business presence. These websites contain ACN videos, presentations and other authorized content. Representatives can choose from eight designs that can be personalized with your contact information, biography and up to two photographs.

With this program, representatives can sell ACN products and services, as well promote and sponsor new representatives to the ACN Opportunity. Each Distributor web site is linked directly to the representatives Team ID number. Representatives are encouraged to use this website in conjunction with their ACN business activities.

##### B. Other Personal Websites, Blogs, web pages and Social Networking Sites

If an Independent Representative chooses to create any personal websites, web pages, blogs and/or social networking sites (MySpace, Youtube, Facebook, Twitter etc.) the following conditions are mandatory.

- Content must not include any of ACN's proprietary information, such as logos, name, trademarks, etc.
- Under no circumstances is ACN video material or online presentations to be made available on any websites other than those created or authorized by ACN. Independent Representatives however may link to ACN's company websites or their ACN Distributor Website to view these videos and presentations.
- The words "ACN Independent Representative" must be on the home page, along with the representative's name.
- No online material should give the impression of representing ACN the company, rather than an ACN Independent Representative. This includes using ACN or ACN Inc. as the title for any page within the Web site, especially the Home Page.
- Representative online material must not contain any product information, and may only include information and wording regarding the business opportunity.

- Except for the link to ACN's company websites or to your personal ACN Distributor Website, Independent Consultant Web sites may not have external links.
- Selling ACN products online outside of myacn.com or myacncanada.ca is strictly prohibited.
- Copy downloaded from ACN company websites or taken from printed ACN literature must be used exactly as printed or written. Changing a word or two may change the real meaning or definition.
- Once your site is completed, send a test link or screen shots along with your Request Form for review and approval.
- There are no guarantees regarding income, and the success or failure of each Independent Representative depends upon each representative's own skills and personal effort. Web sites should not present false or misleading information about ACN or the ACN Opportunity.
- Independent Consultants may not violate or infringe on the rights of others, including privacy, publicity and proprietary rights.
- It is the sole responsibility of each ACN Independent Representative to ensure that its online material fully complies with the guidelines in the Policies and Procedures, as well as with all applicable federal and state rules and regulations. Representatives are also responsible for ensuring that their downline comply with these policies.
- All content (including graphics) must be submitted to ACN and receive written approval prior to launching the content on the Internet.

#### C. Website Domain Names and URLs

Website URLs obtained by an ACN Independent Representative cannot contain references to ACN, its affiliates or trademarked products, other than a representative's personal ACN Distributor Website. If a website contains such references, the ACN Independent Representative will be required to release the URL to ACN.

The ACN name is a registered trademark, and only ACN is authorized to produce and market online material under this trademark.

#### D. Spamming

ACN does not permit Independent Representatives to send unsolicited e-mails. Any e-mail sent by a representative that promotes ACN, the ACN Opportunity, or ACN products and services must comply with the following:

- There must be a functioning return e-mail address to the sender that includes a request that future e-mail solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by e-mail or regular mail, must be honored.
- All emails sent that promote ACN, its Opportunity or products, must adhere to all the other marketing and advertising guidelines in this policy.



ACN is a proud member, active participant, and Board Member in the Direct Selling Association with a company-wide Commitment to Integrity. Review the Direct Selling Association's Code of Ethics [here](#).

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# EXHIBIT 29